

# Daily Report

# East Asia

FBIS-EAS-93-179 Friday 17 September 1993

### **Daily Report**

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#### IAEA Urges DPRK To Accept Ad Hoc Inspection

SK1409234393 Seoul KBS-1 Radio Network in Korean 2200 GMT 14 Sep 93

[Report by Vienna correspondent Cha Man-sun]

[Text] An International Atomic Energy Agency [IAEA] official revealed that because the DPRK is not showing any response to implement the nuclear accord, the IAEA recently sent a message to the North Korean authorities strongly urging the North to accept the ad hoc inspection [imsi sachal]. The official said that because North Korea intends to discuss the special inspection issue as a political issue, the message only urged the resumption of ad hoc inspection.

The IAEA has set a policy that in case North Korea refuses even the ad hoc inspection, the IAEA will define the DPRK as a country not implementing the nuclear accord, and report North Korea's recent acts of not implementing the nuclear accord to the IAEA Board of Governors meeting and the U.N. Security Council meeting to be held next week.

#### Proposes Vienna as Talks Venue

SK1709011893 Seoul YONHAP in English 0044 GMT 17 Sep 93

[Text] Berlin, Sept. 16 (YONHAP)—North Korea has proposed to the International Atomic Energy Agency (IAEA) to hold the second round of talks in Pyongyang on problems of IAEA inspection of its nuclear facilities, IAEA Spokesman Hans Meyer said Thursday.

Although the North Korean proposal is "unsatisfactory," the IAEA, which had earlier proposed to hold the second round in Vienna, will continue discussions with Pyongyang on the possibility of holding the second meeting, Meyer said.

Meantime, the IAEA will not change its existing plan to report on the North Korean problem to its board of governors meeting and the United Nations Security Council, Meyer told YONHAP in a telephone interview.

Meyer said the IAEA urged North Korea to hold the second round of talks in Vienna even after the IAEA delegation to the first round returned from Pyongyang, but North Korea simply responded with the counterproposal earlier this week, he said

The IAEA has sent another letter to Pyongyang urging to hold the second round of talks in Vienna since details of North Korea's counter-proposal were not enough to satisfy the IAEA conditions, Meyer said.

The two sides naturally have not reached any agreement on the venue for talks as yet, Meyer added.

The spokesman declined, however, to disclose the details of the North Korean counter-proposal.

Asked whether there was any possibility for the IAEA to accept the North Korean proposal. Meyer said the problem would be resolved following negotiations between the IAEA director-general and North Korean authorities and a decision by the IAEA Board of Governors.

The IAEA is scheduled to hold a Board of Governors meeting Sept. 21 and a plenary session on Sept. 27. But chances are slim for the IAEA to have talks with North Korea before the plenary session, Meyer said.

#### Tokyo Urges Tripartite Effort Against DPRK

SK1709093593 Seoul YONHAP in English 0917 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 (YONHAP)—Defense Minister Keisuke Nakanishi told South Korea's Chief of Naval Operations Vice Admiral Cho Kun-hae that South Korea, the United States and Japan should strengthen their cooperation in dealing with North Korea's nuclear and missile development programs in their meeting on Friday.

Admiral Cho said North Korea was trying to use its nuclear and missile development programs in a bid to establish diplomatic relations with the United States.

"I wouldn't deny the possibility that North Korea is developing a missile with a range of over 1,000 kilometers, but I have no other special information," the admiral said, referring to the report that North Korea is developing a missile of 2,000 kilometers.

#### Asia-Pacific Union Offers Full Membership to Laos

BK0909105793 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 8 Sep 93

[Text] The Union of Asia-Pacific Parliamentary Members, in its 54th Executive Council meeting and 28th congress held in Yaren, capital of the Republic of Nauru, have accepted the Lao People's Democratic Republic [LPDR] and Vietnam as full members. Souphanthaheuangsi Sisaleumsak, member of the National Assembly and deputy chief of the National Assembly's Commission for Foreign Affairs, as head of the Lao National Assembly delegation, informed reporters of the news on this approval on the morning of 6 September following his delegation's participation in the said international congress.

Souphanthaheuangsi Sisaleumsak said: The 54th Executive Council meeting and the 28th congress of the Union of Asia-Pacific Parliamentary Members, which were closed a few days ago, were attended by parliamentary delegations from 18 countries in the Asia-Pacific region and delegations from three international organizations. In the congress, the parliamentary delegations exchanged views and endorsed 22 resolutions on issues in the political, economic, cultural, and organizational fields. They also unanimously accepted the LPDR and Vietnam as full members of the Union of Asia-Pacific Parliamentary Members.

The participants have also agreed to hold the 55th Executive Council meeting of the union in the Marshall Islands in March and the 29th congress in the Kingdom of Thailand in September 1994.

## Thailand To Invite Burma to 1994 ASEAN Meeting

OW1509094293 Tokyo KYODO in English 0916 GMT 15 Sep 93

[Text] Phnom Penh, Sept. 15 KYODO—Thai Prime Minister Chuan Likphai told Japanese Foreign Minister Tsutomu Hata on Wednesday [15 September] his country, as chair of the Association of Southeast Asian Nations (ASEAN), will invite Myanmar [Burma] to attend next year's annual meeting of ASEAN foreign ministers in Bangkok as an observer.

Chuan made the statement at a 45-minute meeting with Hata during the latter's brief visit to Bangkok, a Japanese spokesman said.

The spokesman, briefing reporters upon arrival in Phnom Penh on the second leg of Hata's four-day southeast Asian tour, said the foreign minister expressed support for the Thai initiative.

The Thai move was "a pleasant surprise" to Tokyo and "completely in accordance with our policy" vis-a-vis

Myanmar, the spokesman said, terming it "a very important step forward" in prodding Yangon's [Rangoon] military junta to open up and restore democracy.

Chuan told Hata that ASEAN leaders have supported Thailand's idea of involving Myanmar in the southeast Asian community, adding that he expects contacts such as the planned invitation to the ASEAN ministerial meeting in July to produce changes in that country, the spokesman said.

The two agreed that Myanmar's military junta should be encouraged to change through "constructive engagement" rather than pressure and diplomatic isolation, which would only leave its people in plight, he said.

Hata reached a similar accord with Thai Foreign Minister Prasong Soonsiri at their separate meeting earlier in the day.

Hata and the Thai leaders agreed to beef up bilateral cooperation in seeking democratization and reconstruction and development of Myanmar and the three Indochinese countries, including Cambodia where Japan and Thailand have closely cooperated in the war-torn nation's ongoing peace process.

#### Regional Heads of News Agencies Meet in Seoul SK1709060893 Seoul YONHAP in English 0142 GMT 17 Sep 93

[Text] Seoul, Sept. 17 (YONHAP)—Vitaly Ignatenko, director general of Russia's ITAR-TASS News Agency, arrived in Seoul on Friday morning to attend the 14th executive board meeting of the Organization of Asia-Pacific News Agencies (OANA).

The five-day meeting in Seoul on Sept. 20-24, being hosted by YONHAP, will discuss restructuring to boost competitive power, the retraining of reporters and technicians of OANA news agencies and cooperation between OANA and Middle Eastern news agencies.

Also attending will be OANA Chairman Yasuhiko Inukai, president of Japan's KYODO News Agency, President and Editor-in-Chief Nan Zhenzhong of China's XINHUA News Agency, and President M.R. Borhan of Malaysia's BERNAMA News Agency.

OANA, comprising 26 news agencies in 20 countries in the region, will admit Russia's RIA-NOVOSTI as a new member and examine the application of Khmer's AKP News Agency during the Seoul meeting.

YONHAP is host for the second time as the fifth executive board meeting and third technical exports group meeting was in Seoul in 1982.

Regional Airlines Fear U.S. 'Declaration of War' BK1709013193 Bangkok BANGKOK POST in English 17 Sep 93 p 26

[Text] Regional airlines are bracing for a "declaration of war" by the U.S. aviation and aeronautical industry, which is said to be determined to resist anyone standing in its way of global domination.

The warning of an increase in competition comes from an Australian aviation consultancy, whose report forms the backdrop for a meeting in Bangkok today of chief executives of 15 Asia-Pacific airlines, members of the Orient Airlines Association [OAA].

The association will be discussing ways to ensure that its members gain the maximum benefits from the strong aviation potential of the Asia-Pacific economic boom and yet balance that against long-standing commercial and tourism links with Europe and North America.

The OAA will also be considering a major study that will outline the future strategic role of the OAA in view of the growing globalisation of trade changing markets, airline regulations, rising costs and low profits.

Uppermost on the agenda will be the need for regional airlines to forge a joint stand to defend the Asia-Pacific aviation turf against European and U.S. airlines seeking access to what is called the last bastion of airline growth in the world.

Last month, U.S. President Clinton issued the report developed by a "National Commission to Ensure a Strong Competitive Airline Industry" with this comment: "The people who make airlines and equipment and the people who run our (U.S.) airlines are critical to our economic future."

The National Commission consisted of 26 experts in aviation economics finance, international trade and related disciplines. Its report covered a series of strategies and suggestions on overhauling the Federal Aviation Administration, regulating ownership of U.S. airlines by foreign airlines and the positions to be adopted on aviation talks.

In turn, the Europeans have established a Comite des Sages (Committee of Wise Men) for air transport to look at the similar problems from a European perspective.

Both the U.S. and European studies according to Sydney-based aviation consultants Peter Harbison and Bob Cain, "are massive and serious attempts to come to grips with the worldwide aviation system which has got out of control.

"Every government and airline in the Asia-Pacific should read the recommendations (of the U.S. national Commission) intently. They create a blueprint for the U.S. aviation strategy (and) will set the tone for bilateral discussions in the Pacific region in the immediate future."

Messrs Harbison and Cain, who run a company called BDW Aviation Services, wrote in their September newsletter Aviation Analyst that the short-term design is to strengthen the capabilities of the U.S. airlines and aeronautical industry and eventually seek a multilateral framework for international aviation.

"The intention is loud and clear; this is not an idealistic document. It is a declaration of war. It is a message of fraternal hopes for a multilateral system with a cold message for unbelievers—get out of our way if you don't believe in a strong U.S. airline industry as the way to a better world.

"This is idealism with an iron fist. In short, it is a simple repetition of what aviation bilateralism has been all about for the last half century: the law of the jungle—or more specifically, mercantilism," Aviation Analyst said.

The consultants noted that while the Europeans and Americans can be more or less evenly matched in the aviation trade-off, "a more aggressive United States in bilateral discussions can offer only concern for smaller countries with less developed aviation infrastructure, as we have in the Asia-Pacific region.

"Indeed, even if the U.S. did feel inclined to grant cabotage rights (the right of a foreign airline to operate within domestic points in another country) there is little prospect that for example, the Australian carriers could effectively use them against the might of the big five U.S. carriers.

"The Asia-Pacific region will be vitally affected by the postures taken by the Europeans and Americans in their own patch. Here, however, there is little cohesion or co-ordination. Even the 'inevitable' Australia-New Zealand [NZ] Single Aviation Market is only proceeding in fits and starts."

The article noted that 18 months ago, four major U.S. airlines were operating more than daily services into Australia/NZ. Now, from the end of October, there will be two, following Continental's abrupt decision to withdraw all services into New Zealand.

While Continental was flying into New Zealand, tourism benefited. But now its pullout could bankrupt some local operators, have an "immeasurable impact" on total infrastructure and create further credibility problems for the travel industry among financiers.

The article called for, and the OAA executives will today be considering ways to strengthen the Asia-Pacific aviation industry as a prelude to the upcoming tussle.

Nearly all the Asia-Pacific airlines are losing their shirts.

Wrote Singapore Airlines [SIA] chairman J.Y. Pillay in the 1992/93 annual report, "Aviation analysts, surveying the carnage in the industry, are sunk in despair." The SIA report saw little prospect of an immediate turnaround in fortunes due to intense competition, pressure on yields, staff retrenchment and retiring of resources to cut costs.

Cathay Pacific chairman Peter Sutch noted Cathay was also being affected by the continuing recession in major markets like Europe and Japan, too many seats chasing too few travellers and costs rising faster than revenues. Indeed, Cathay has moved its entire revenue-accounting operations to low-cost Guangzhou and has begun to base some pilots in their home ports.

The OAA Assembly will also mark a farewell for THAI President Chatchai Bunya-anan, who retires September 30 after a 30-year career in Asia-Pacific aviation. The result of the OAA meeting will also enable him to put his seal on regional aero-politics, the most thorny issue facing member airlines in the nineties.

#### Japan

## G-7 Cooperation Urged for Stable Exchange Rates OW1709072193 Tokyo KYODO in English 0657 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Finance Minister Hirohisa Fujii called Friday [17 September] for cooperation by major trading partners to keep exchange rates stable while stressing the tough economic situation Japan faces due to the yen's recent rise.

Japan will seek stable exchange rates "through cooperation in the currency markets and policy coordination among Group of Seven (G-7) nations," Fujii told an annual meeting of brokerage houses nationwide.

"As for Japan, we believe stable movement reflects economic fundamentals and that is best," he said in a prepared speech text.

Fujii described Thursday's fresh stimulus package as "consisting of wide-ranging actions against the impact of the yen's rise, natural disasters and other tough economic conditions."

Earlier, Fujii expressed concessover the yen's rise overnight in New York to the 103 yen level on disappointment in the market about the new package.

"The package will contribute to the world economy... and I will explain it if given the opportunity," he said, referring to a G-7 meeting of finance ministers and central bankers expected to be held in Washington on September 25.

In his speech to brokers, Fujii urged the securities industry to make further efforts on restructuring and risk management to meet the ongoing financial deregulations and to prevent a recurrence of securities scandals.

## U.S. Move To Open Timber Market Criticized OW1609061293 Tokyo KYODO in English 0553 GMT 16 Sep 93

[Text] Washington, Sept. 15 KYODO—The U.S. Administration is likely to propose discussions on opening Japan's timber market in bilateral trade negotiations set for next week, a U.S. senator said Wednesday [15 September].

Democratic Sen. Ron Wyden of Oregon said U.S. President Bill Clinton wrote to him Wednesday saying impediments to U.S. timber exports under the 1990 bilateral trade agreement should be removed.

The talks, aimed at removing sectoral and structural barriers to the Japanese market, are scheduled to open Sunday in Hawaii.

Clinton said in his letter that the 1990 agreement is only a first step toward removing Japan's long-standing trade

barriers, expressing dissatisfaction over slow progress of the opening of Japan's market, Wyden said.

Clinton also said tariff reduction plans under the agreement, tied to progress in the stalled Uruguay Round of multilateral trade talks, have produced no results, according to Wyden.

The agreement called for Japan to cut its tariffs on timber imports and relax its building standards law.

In Tokyo, Forestry Agency officials criticized the reported U.S. move, saying Japan is going to implement the 1990 accord for tariff reductions in line with an agreement under the Uruguay Round.

## Kumagi Expresses 'Regret' at U.S. Response to Package

OW1709044893 Tokyo KYODO in English 0403 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Japan's trade minister on Friday [17 September] expressed his regret at what he called an unfavorable U.S. response to the government's attempts to boost the economy with a 6.15 trillion yen stimulus package.

International Trade and Industry Minister Hiroshi Kumagai told a press conference, "it is unfortunate for the Japan-U.S. relationship that Washington underestimates (the value of) our package."

Kumagai was referring to reports that the United States regards the measures as a step in the right direction, but not enough. A U.S. official also suggested prime minister Morihiro Hosokawa's administration implement tax cuts.

He called the package significant because it analyzes the cause of Japan's economic woes and shows how the situation can be remedied.

"Those who want deficit-covering bonds to be issued seem to have a distorted vision, he said. He also the Japanese economy is in a dire state. "It is not as bad as AIDS, but just like first-degree cancer," he said.

Kumagai, however, retracted his remarks referring to specific diseases.

#### Ministry Officials View Mondale Remarks on DPRK

OW1609074493 Tokyo KYODO in English 0623 GMT 16 Sep 93

[Text] Tokyo, Sept. 16 KYODO—U.S. Ambassador Walter Mondale on Thursday [16 September] advocated technological collaboration between the United States and Japan to counter the military threat posed by North Korea, Foreign Ministry officials said.

Officials said Mondale, who arrived in Tokyo on Tuesday to take up his post, told Vice Foreign Minister

Kunihiko Saito that the two countries should consider cooperation on the Theater Missile Defense (TMD) program.

They said Mondale and Saito discussed the TMD in the context of the two countries' mutual concern over North Korea's development of the Rodong 1 missile, which is believed to be capable of striking Japan.

The U.S. wants Japan to contribute financially and technologically to the TMD program, the first phase of which has already been completed with the deployment of the Patriot II-type missile system.

Officials said that while Japan wants to design its own system, it will nevertheless need to incorporate components of the U.S. system. No concrete bilateral discussions have begun yet, they said.

A complete missile defense system would include a satellite and air surveillance system, a controlling system to gather and analyze the data, and a missile system to be activated by the controlling system if incoming missiles are detected.

Officials said Mondale called for close U.S.-Japan consultations on issues related to North Korea, China and Russia.

#### Tokyo, Seoul Discuss DPRK Nuclear Arms Issue OW1709080393 Tokyo KYODO in English 0734 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Japan's Defense Agency head and South Korea's Air Force chief agreed Friday [17 September] on the need to promote cooperation among Tokyo, Seoul and Washington against North Korea's suspected development of nuclear arms and long-range missiles, Japanese Defense Agency officials said.

Defense Agency Director General Keisuke Nakanishi and South Korean Air Force Chief of Staff Gen. Cho Kun-hae reached the agreement in a meeting at the Defense Agency.

Officials quoted Cho as saying Pyongyang is trying to use the issue of its military development efforts to political advantage in a bid to establish ties with the United States.

Cho told Nakanishi that South Korea has not yet confirmed a recent report that North Korea is developing a new missile, the Nodong II, with a range of 2,000 kilometers that would make it capable of reaching the whole of Japan.

Cho did not, however, deny the possibility that North Korea is building a new missile with a range of 1,000 kilometers, but said that there was no specific information to prove it. Earlier this week, South Korea's YONHAP news agency ran the report quoting documents from the U.S. House of Representatives Foreign Affairs Committee.

The Japanese Defense Agency said on June 14 that North Korea test-fired a new intermediate range missile called Nodong I into the Sea of Japan on May 29. Officials said the missile covers a range of 1,000 kilometers, capable of striking South Korea and western Japan.

Pyongyang has refused to allow the International Atomic Energy Agency to inspect two nuclear sites in Yongbyon, north of Pyongyang, which the agency wants to check. The North Koreans say they are military facilities.

#### Hata 'Expects' Yeltsin To Visit in Mid-Oct

OW1609061693 Tokyo KYODO in English 0545 GMT 16 Sep 93

[Text] Phnom Penh, Sept. 16 KYODO—Japanese Foreign Minister Tsutomu Hata said Thursday [16 September] he expects Russian President Boris Yeltsin to visit Japan in mid-October as scheduled.

Hata told reporters he is under the "impression" that Russian Foreign Minister Andrey Kozyrev wants the twice-postponed visit to go ahead in mid-October as planned.

Hata and Kozyrev met in Washington when they attended the historic peace signing ceremony between Israel and the Palestine Liberation Organization (PLO) on Monday.

He said he told Kozyrev that it is important for Japan and Russia to have discussions. He also proposed that the two countries discuss Yeltsin's planned Japan visit when Japanese and Russian delegates attend the United Nations General Assembly opening in New York in late September.

While Japan and Russia make preparations for a mid-October visit, some observers feel that Yeltsin May be forced to cancel a third time because of domestic political problems.

Key Yeltsin aide and former Russian Secretary of State Gennadiy Burbulis hinted last week that Tokyo's pressure on Moscow to turn over four Russian-held islands to Japan might scuttle the visit.

Hata arrived in Cambodia on Wednesday to discuss financial assistance to the war-torn country and is scheduled to return home on Friday.

#### Chernomyrdin Remarks on Kurils 'Personal Opinion'

OW1709090093 Tokyo KYODO in English 0832 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Russian Prime Minister Viktor Chernomyrdin's stated opposition to the return of disputed islands to Japan is not the unified

view of the Russian Government, Chief Cabinet Secretary Masayoshi Takemura said Friday [17 September].

Takemura, speaking at a regular news conference, referred to Thursday's remark by Chernomyrdin that Moscow has no intention of returning to Japan four Russian-occupied islands off the northern Japanese coast.

The Russian premier also said that it is not his personal opinion but an agreement by the Russian leadership.

Chernomyrdin's comment Thursday comes after Tokyo denounced his remarks made in August that no territorial issue exists between Russia and Japan and that Moscow will reject negotiations with Japan on the matter.

The territorial row over the islands, seized by the former Soviet Union at the end of World War II, has prevented Japan from signing a bilateral peace treaty with Russia and extending a full-scale financial assistance to it.

"After a series of examinations through diplomatic channels, we have reached a conclusion the previous remark (by Chernomyrdin) was not a united view of Russia," Takemura said, adding the Japanese Government sees Thursday's comment as the Russian premier's personal opinion.

#### Tokyo Plans Defense Talks With Russia 22-24 Sep

OW1709090393 Tokyo KYODO in English 0838 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Japanese and Russian defense officials will discuss mutual areas of concern in the second Japan-Russia defense research exchange to be held in Moscow next week, a Defense Agency official said Friday [17 September].

Officials plan to exchange views on their respective defense policies and on East Asian security in meetings to be held from Wednesday to Friday.

#### Tokyo To Offer \$900 Million to Palestinian Fund OW1609085893 Tokyo KYODO in English 0839 GMT 16 Sep 93

[Text] Tokyo, Sept. 16 KYODO—Japan is ready to offer up to 900 million dollars to a fund being set up by the World Bank to assist Palestinians over 10 years following this week's historic Middle East Peace Accord, a senior Finance Ministry official said Thursday.

The money will be drawn from the nation's official development assistance (ODA) account, worth just over 1 trillion yen in the general account of the fiscal 1993 budget, said the official, who asked not to be named.

The World Bank has proposed a 3 billion dollar fund for a Palestinian recovery program in response to the accord

between Israel and the Palestine Liberation Organization (PLO) on limited Palestinian self-rule on the occupied West Bank town of Jericho and Gaza Strip.

The Japanese offer will be presented to a meeting of top finance officials from the Group of Seven economic powers in Washington later this month, the official said.

The European Community has said it will provide 600 million dollars over five years and the Scandinavian nations 140 million dollars over four years.

The ministry official said Japan, with its huge trade surplus, will also "share an appropriate burden" of an emergency fund for the West Bank and Gaza areas, which is estimated at 590 million dollars.

The United States reportedly plans to extend 200 million dollars to the fund, and Saudi Arabia and Kuwait together are expected to offer the same amount.

#### **Cutlook for Relations With Middle East**

#### Relationship Assessed

932A0312A Tokyo TSUSAN JANARU in Japanese Jul 93 pp 18-23

[Roundtable discussion by Hiroto Sumiyoshi, president, Cosmo Oil Co.; Shigeki Koyama, chairman. Middle East Economic Research Institute; Noborn islatakeyama, councillor for international trade and industry, MITI: "Assessing the Relationship During Upheaval in the Middle East]

[Text] The Gulf war and collapse of the Soviet Union have been followed by a major change in the "Middle East." Japan is highly dependent on Middle East crude oil. What is happening in the Middle East now? This roundtable discussion explores the future of the Middle East and the posture that should be assumed in Japan-Middle East relations.

#### A Mixture of Stable and Unstable Elements

[Hatakeyama] I believe the Middle East situation reflects four phenomena since the Gulf crisis: 1) Expanded presence of the United States; 2) Establishment of climate for progress in the Middle East peace process; 3) Appearance of elements of unrest in Iran; 4) Fear of movements in the Islamic fundamentalist movement.

Predicting events in the Middle East is difficult and I understand the area is referred to as the graveyard for prophets, but to begin with, can we have Chairman Koyama's views on the future of the Middle East?

[Koyama] Major moves have been made in the Middle East since the Gulf war. The movements definitely reflect a preference for stability and an element of integration. The longstanding confrontation between Arabs and Israelis, especially the Palestinian issue, is beginning to show signs of resolution. Countries such as Syria which in the past were incorrigible in their resistance to peace have begun to move towards reconciliation, and there is even the possibility of rapid progress in the peace talks.

However, such positive elements are concurrently accompanied, on the other hand, by movements that adversely affect stability. One of them concerns the post-Gulf war trends and include the surfacing in the Middle East of what are called human rights and democracy in the United States. Additionally, an issue that existed in the background of the Gulf war is the surfacing of disparities between the rich and the poor in a difficult-to-resolve form. Further, the collapse of the Soviet Union has been followed by a change in Middle East concepts and simultaneous eruption of ethnic movements.

I believe the Islamic fundamentalist movement represents a microcosm of such movements. The Gulf war has led to the intensification of this movement. The movement charges that Saudi Arabia permitted the stationing of 500,000 heathen U.S. troops on sacred Saudi soil. An intermingling of xenophobia peculiar to Arabs and dissatisfaction with social, political, and economic factors has inspired a movement to seek identity with Islam.

The West has interpreted the situation as one in which the movements are being influenced by outside forces such as countries like Iran and Sudan which have illegitimate influence in the Middle East. However, I believe the issue is not that simple and that underlying groups that accept and expand Islamic fundamentalism are spreading in the Middle East. In that sense, unstable elements are once again on the increase in the Middle East.

At issue is the future direction of these two factors. While the situation poses difficulties for any attempt at prediction, if I were to speak from an overall perspective, I would have to say that they cast a cloud over Middle East peace. I feel that there is a high potential for the development of a very difficult situation.

#### Basic Trends Include Economy and Nationalism

[Hatakeyama] A while back, President Sumiyoshi made a detailed inspection trip to the Middle East nations as head of a mission sponsored by the Japan Committee for Economic Development [Keizai Doyukai]. What were your impressions of the Middle East situation?

[Sumiyoshi] Our primary focus was on the economic situation in the four nations of Turkey, Iran, Kuwait, and Saudi Arabia. The Middle East covers a wide area and any attempt at predicting the future would be very difficult, but I get the frank impression that the situation is very complex.

Nationalism as a political trend has surfaced as a major concept since the collapse of the Soviet Union. Also, surfacing is the issue of what sort of standard will be used to determine national boundaries. For example, in the case of Iran, the question arises as to what point in time will be used for determining the border. Should reference be made to the founding of the nation after World War II, or should reference be made to a more ancient date. In the case of the former Yugoslavia, there is the historical view that they should go back far into history and I believe the issue is subject to a variety of value judgments.

I sense that national boundary disputes in the Middle East involve such issues as what point in time will be used as a standard on a historical basis as well as concurrent involvement in disputes relative to petroleum resources. The issue of national boundaries relative to petroleum resources has surfaced between Iran and the UAE (United Arab Emirates), Saudi Arabia, and Yeman, and Iraq and Kuwait, posing very complex problems.

Further, based on my visits to the area, I acquired the impression that Saudi Arabia, Iran, and Kuwait currently depend on petroleum resources, but looking into the future, they have a desire to develop industries outside of petroleum.

Iran and Turkey have the same desire and wish to privatize state-owned enterprises and attain economic growth in a so-called democratic sense. They display a common wish that Japan somehow assist in reaching that goal. Accordingly, I feel that there is a necessity to develop industries by making private investments in such forms as joint ventures to transfer know-how and technology.

I believe that U.S. policy will determine the future evolution of the Middle East peace issue. I believe that the basic trends of the future will be influenced by nationalism and economic growth, but I also believe that the situation will vary significantly depending on whether the United States seeks the independence of the Middle East based on nationalism and economic growth or bases its emphasis on U.S. interests.

## Middle East Peace Cannot Be Established Without Iranian Participation

[Koyama] Under the cold war structure, U.S. Middle East policy stressed removing or checking the spread of Soviet influence from the Middle East. However, now that the Soviet Union has collapsed, the situation has inevitably given birth to a unipolar status for the United States. In the past, the existence of U.S.-USSR confrontation gave cause for seeking a third course of action but, now that that condition is gone, the situation had no other recourse but to allow for the United States to become the dominant force.

However, the United States in the past has displayed favoritism toward Israel in its policy actions. Concurrently, U.S. policy toward Iran and the Arab countries has reflected negativism. Thus, there was no way to avoid categorizing such concepts as double standards. I believe that situation has caused an uncontrollable

feeling of oppression or similar negative sentiment for the common people in the Middle East.

On the other hand, as statesmen, including monarchs, attempted to establish a hereditary and monopolistic system of government, political corruption and destitution persisted. Then, the anger of the common people accumulated with intensity in the absence of a legitimate outlet.

Thus, I believe a positive element for Middle East peace exists and that there is the potential to achieve peace if the right action is taken to attain a breakthrough, but if Middle East peace is achieved in a way that oppresses certain principles of the masses, then such peace could lead to the accumulation of despair.

Concurrently, there is the economic issue mentioned by President Sumiyoshi. Countries where Islamic fundamentalist movements have gained influence reflect factors which indicate they have failed to solve underlying economic problems. The question is, what disposition can we make of such problems. I believe we cannot disregard the situation and assume the position that phenomenal Islamic fundamentalist movements are not acceptable, that the PLO is not acceptable, or that the Palestinians are not acceptable. The question becomes one of how contacts will be developed, such as in the case of Iran which serves as a typical example.

[Sumiyoshi] Mention has just been made of Iran, but I believe that stability in the Middle East cannot be attained without the participation of Iran. Security centered on the Gulf states without Iran's participation will not provide for permanent peace in the Middle East.

The United States still maintains no diplomatic relations with Iran and sells weapons to surrounding nations. I believe Middle East peace cannot survive under such circumstances. Additionally, the Clinton administration's pro-Israeli stance is of concern.

One high-ranking Iranian official said that the United States has not established a policy toward Iran and that it has not assessed its interests, costs, and effects concerning Iran. The Iranians feel strongly that they are being avoided for some unknown reason. I believe there is the criticism in Arab nations that Iranians are being treated differently under a double standard.

[Hatakeyama] I would like to discuss Israel for a moment, as I believe it has changed considerably in recent times. They have linked economics and peace. I am of the impression that they are trying to say that Israeli peace cannot be achieved without an improvement in the economy. For example, they have reduced military expenditures and are using the savings on their economic infrastructure. Israel had been allowing people to settle in the occupied areas using government subsidies, but that program has been suspended and the savings are being reallocated to build the economic infrastructure. There is no way that this trend can be reversed.

So-called peace is being woven into the structure for economic reconstruction. A variety of principles and arguments supposedly come into play, but, in terms of basic structure, I believe Israel is oriented toward Middle East peace. Accordingly, I believe it is essential that peace be achieved during the current administration.

In connection with Iran, I am of the impression that there is a discrepancy between what it says and what it does. It has occupied Abu Musa Island and although there may be arguments for and against such action, it has purchased submarines from Russia, Scud missiles from North Korea (Democratic People's Republic of Korea) and nuclear reactors from China, thus inviting unnecessary cautionary attitudes from the Arab nations as well as the United States.

[Koyama] I believe there are three core elements to be considered in viewing the Middle East situation. They include Arab nations, Turkey, and Israel. Iran has the aspects mentioned by Mr. Hatakeyama. However, if one were to view the situation from Iran's perspective and speak of military expansion, he would have to say that military expansion in this case is insignificant. Israel and Saudi Arabia have undertaken military expansion of a much greater magnitude.

Iran definitely displays behavior that defies our comprehension such as sentencing Salman Rushdie, author of Satanic Verses, to death or mercilessly killing antiestablishmentarians. However, a situation exists in the Iranian political world that is similar to the confrontation between Yeltsin and the conservatives in Russia.

If one were to ask if a solution to the situation could be attained by effecting a complete blockade of Iran, he would have to admit that almost nothing could be gained from such an approach. Rather, such an approach merely leads to instability and disruptive elements.

In a sense, there is a need at least for a Western channel of communication to support President Ali Akbar Rafsanjani's preference for policies to open Iran to the outside world, but such channels are nearly severed. I feel that Japan could play a major role in this respect.

#### How Shall We Increase Investments?

[Hatakeyama] A look at trade with the Middle East shows that there has been a \$20 billion reduction, from \$62 billion in 1981 to \$43.5 billion in 1991. In terms of share, the reduction was much sharper, dropping from 21 percent to 8 percent, down more than 50 percent. Even in terms of direct investments, the area's share went from 2.1 percent to 0.2 percent, reflecting a sharp narrowing in the flow of money from Japan to the Middle East.

President Sumiyoshi, what sort of measures do you feel can be taken to once again deepen economic relations between Japan and the Middle East?

[Sumiyoshi] Take Turkey as an example. That country is very pro-Japanese and its lifestyle is an adaptation of the West, providing for an environment that is receptive to investments. Already, Toyota has opened a plant in the country.

In Iran, foreign trade has fallen, but the problem is delayed payments. Also affecting trade with Iran are the controls imposed on general-purpose commodities resulting from modified COCOM [Coordinating Committee on Multilateral Export Controls] restrictions. There is the impression that nothing exists that can be exported to Iran because of the potential conversion of general-purpose materials to weapons.

When I visited Iran a short time ago, I told the Iranians that they should establish more amicable relations with the United States and that, if they continue to openly speak disparagingly of the United States, it will have an adverse effect on their efforts at economic recovery. It was then that the Iranians admitted that they had done a poor job of budgeting, causing delays in payments, but that they would avoid deficit budgeting next year which should provide for a basic solution of the existing problems.

[Koyama] Private-sector direct investments in the Middle East are practically zero and even if any exist they are very small. This is a major problem. The reason why this is the case is that interest in the Middle East has diminished. Further, the Middle East is plagued by a variety of disputes and is unstable, providing for a high-risk environment. The conclusion is that, even if private firms are encouraged to invest in such areas, they hesitate to do so.

Then, the question arises as to what should be done. First, the government must pave the way. Specifically, it must offer ODA [official development assistance]. And, even then, it must devise ways of providing for high-quality ODA.

Another approach would be efforts from the private sector. I believe it is important that private-sector firms visit the area, because seeing is more effective than reading all available reference books. Concurrently, I think we should assume a more creative approach. I believe that it is important for Japan to take the initiative in conceptualizing projects with economic motivation rather than motivations of a political nature.

The third approach concerns general education. We need to start with elementary, junior, and high school education. This will require a joint effort by the government and private sectors.

[Sumiyoshi] I believe that we now exist in favorable times when there is a somewhat depressed demand for petroleum. Both Saudi Arabia and Iran say they are grateful that we are buying their oil. However, if Japan persists in its preferential treatment of Southeast Asia, there is the risk that they will refuse to sell to Japan when oil supplies become tight. I believe we must proceed with

private-sector joint ventures. Also, I would like to see politicians, bureaucrats, and financial experts visit the Middle East in large numbers to engage in a process of interchange.

[Koyama] It is important that we provide active support to small-to-midsized enterprises for the purpose of expanding overseas.

[Hatakeyama] Domestically, the Small-to-Medium Enterprise Investment Development Company plays an active role, but we should study ways to expand its operations to overseas areas. Finally, a concept under consideration calls for construction of a refinery in Japan as a joint venture between three Japanese companies and Saudi Aramco, but I hope to promote the project from within the government as a way of achieving direct investment from Saudi Arabia in Japan and to promote greater trade between the two nations.

#### Aid, Oil Link Viewed

932A0312B Tokyo TSUSAN JANARU in Japanese Jul 93 pp 24-25

[Article by Chiburi Takahashi, assistant professor, University of the Air: "The Thread Linking Japan and the Middle East"]

#### [Text] Pipeline

I once flew over the Persian Gulf on an Iranian Air Force transport. You can see pipelines when you view the oil fields from the airplane's windows.

My image of pipelines until then was that they were long, straight, and silver-colored. My imagination depicted the extension of those silver lines straight and far into the future. I believe that was the image that was stored deep in my mind when we passed by on a train near an oil refinery during a junior high school excursion in the Inland Sea area.

However, pipelines that traverse the Persian Gulf deserts are brown and dirty. And they are not straight. They are bent in different directions at random intervals. I believe that is done to provide for expansion and shrinkage of the pipes during certain seasons and to allow for the vast differences in day and night temperatures.

As the aircraft rises in altitude, the pipelines gradually narrow in size. Finally, they narrow as if to look like strings, and then disappear. Seeing that scene made me recall Ryunosuke Akutagawa's story, Kumo no ito [Spider's Web].

There was a villain named Kandata who fell to hell. Buddha, who recalled that Kandata had saved the life of a spider just once in his lifetime, tried to rescue the villain by dropping a spider's web from heaven. Kandata climbed up the web to escape from hell and ascend into heaven. On his way up he looked down and noticed that countless people were climbing up the web. Kandata, who feared that the web would break from the weight of

all those people, looked down and shouted, "Hey, you criminals. This spider's web belongs to me. Where on earth did you hear of this web? Get down! Get down!" At that point, the web broke just above the point where Kandata was hanging on and Kandata fell upside down into the hell from which he had just climbed.

Every once in a while I get the feeling that Japan and other oil-importing economies are clinging to thin, unreliable pipelines extending much like the spider's web from the Persian Gulf region in the Middle East. I believe Japan climbed from the ashes of postwar hell up such a web into postwar recovery, high growth, and the bubble economy. And it is now the world's leading economic giant.

However, it appears as if there is no change in the fact that Japan clings to this spider's web. Needless to say, Japan has not yet reached heaven. No matter how much, we brag of being an economic giant and no matter how much we spread economic aid throughout the world like Santa Claus, any suspension of oil from the Middle East would mean anemia for the Japanese economy.

Moreover, there has been an increase in the number of countries seeking relief from poverty by consuming oil in the same manner as Japan. Even countries that previously exported oil are about to reach the point where they cannot satisfy their own domestic needs. They are falling into the situation where they cannot avoid importing oil from the Middle East. I understand forecasts say that Indonesia will fall from being oil-exporting nation to become an oil-importing nation in the near future. I believe China will also fall in the same category. The thin web that is being clung to by Japan, the United States, and Europe is about to be clung to by many more nations.

Japan is not in a position like Kandata where it can say, "Hey, you fellows. Don't touch this web." There will be an increasing concern that at some point this web will no longer bear the weight imposed upon it. I don't believe I am alone in the terrifying feeling of what may happen if this web should break.

The United States and Europe, whose dependence on Persian Gulf oil is low, will probably get by with a mere bruising of their buttocks. However, Japan—with an overwhelming dependence on Persian Gulf oil—will no doubt fall with great force and break several bones. We must do everything possible to keep the web from breaking.

#### Official Development Assistance

However, Japan in the past has used taxpayers' money to cause an increase in the number of countries clinging to the web rather than to cause a decrease. In other words, Japan has implemented economic aid with emphasis on the economic infrastructure of developing nations. Put another way, Japan has assisted in preparing developing nations to travel the course of economic growth by burning oil just like Japan.

Even if we consider that this was the course of action desired by the elite of the developing nations, we cannot avoid the impression that there was a lack of coordination between Japan's national objective of protecting energy sources and its goals for aid policies.

Of course, we cannot say that the preceding statement applies in all instances, because Japanese ODA [official development assistance] has at times been used to develop energy resources. But, generally speaking, we cannot deny that Japanese aid was designed to incite developing nations into clinging to the narrow spider's thread representing the oil supply lines from the Middle East.

As an example, it is said that the per capita consumption of oil in China is currently 1/20th of that in Japan. If the people of China, a country with a population 10 times that of Japan, were to starting shampooing in the mornings and going on weekend car trips, that is, if they were to begin burning oil at the same rate as the Japanese, world oil supplies would become tight in short order. Continuation of the current ODA policies, I believe, poses a threat to the preservation of Japanese energy resources.

It appears that experts in the field are searching for ways to achieve economic development in the form of "sustainable development" which considers environmental factors. And, it appears that aid offered by advanced industrialized nations, including Japan, in recent times has been converting to the type that emphasizes the environment.

Much hope can be placed in this field in terms of Japanese energy-saving technology and environment-related technology. I believe we have arrived at a stage where Japan should make a distinction in the use of ODA so as to avoid a further burdening of the spider's web.

We can only pray that until then the spider's web will not be severed above Japan as it was for Kandata.

#### Stronger Ties Urged

932A312C Tokyo TSUSAN JANARU in Japanese Jul 93 pp 26-27

[Article by Miki Hatanaka, assistant researcher, International Economic Research Institute: "Deepening the Japan-Middle East Relationship"]

[Text] Barrier Represented by "1 Versus 2 Versus 3" and "3 Versus 2 Versus 1"

"Six hours, 12 hours, 18 hours." Do you know what we are speaking of? The strange figures I listed at the very beginning of this article are average flight times for traveling to the Middle East from Europe, the United States, and Japan, respectively. In terms of a ratio, they come to "I versus 2 versus 3." They do not simply express the geographical distance between the Middle

East and Europe, the United States, and Japan, but are very fascinating in that they seem to aptly reflect psychological distances.

Next, are you familiar with the values expressed as "85 years, 61 years, and 33 years"? Anyone who has dealt with the Middle East, especially oil, will probably quickly realize what these figures represent. These figures represent the number of years that have passed since Europe, the United States, and Japan, respectively, discovered oil for the first time in the Middle East.

It is well known that an Englishman named William Knox D'Arcy discovered oil in Iran in 1908. The year happens to be the 41st year of the Meiji era in Japan, three years after the end of the Russo-Japanese War. Americans first discovered Middle East oil in Bahrain. It was 1932, the seventh year of the Showa era in Japan. It was a tumultuous period in Japan which included the Shanghai Incident, the Declaration for the Founding of Manchuria, and the 15 May Incident. However, those oil discoveries both took place before World War II.

On the other hand, it was in 1960 (35th year of the Showa era) that our nation's Arabian Oil Company produced a productive well in the Khafaje oil fields. Fifty-two years and 28 years respectively had already passed since the initial discovery of oil in the Middle East by the United Kingdom and the United States. You might compare the differences in those years as those of grandparents, parents, and children. Disregarding fractions, the ratio of transpired years would come to "3 versus 2 versus 1" or the opposite of the first ratio discussed. You can say that the ratio provides a distinct picture of the differences in the business history between the Middle East and Europe and the United States and Japan.

In summary, in comparison to Europe, our major senior partner, Japan's contacts with the Middle East are only about one-third in scope and any contacts take as much as three times what it takes the Europeans.

### Dissatisfaction Measures "10 to 1" Against Largest Client

Now I wish to list the figures "293, 175, and 117." I have deliberately excluded the unit of measurement. That's because listing the unit of measurement would result in immediate understanding of what we are discussing. If I were to stop teasing and express the unit of measurement, it would be "billion dollars."

Having given the unit of measurement, I believe you are already aware of what the figures represent. They are the dollar value of oil imports from the Middle East to Japan, the United States, and Europe (France and the United Kingdom combined), respectively, in 1991. Once you dispose of fractions, the ratio comes to "3 versus 2 versus 1."

The figures reflect imports from the Middle East to the respective countries, or exports when viewed from the

Middle East; the ratios are the exact opposite of those that relate to travel distances and history of business relationships and they show that Japan is very close to the Middle East. Moreover, in terms of trade balances with the Middle East, the area shows a \$500 million deficit with the United States and a \$5.2 billion deficit with Europe, but a \$17.5 billion surplus with Japan. These figures show that Japan is the Middle East's largest client.

However, in recent years, especially since the Gulf crisis, Japan's reputation in the Middle East has worsened. It appears there are a variety of reasons such as Japan's quick avoidance of the Gulf crisis, but it boils down to the fact that dissatisfaction concentrates in the paucity of investments by our country.

In this respect, let us examine the situation in Saudi Arabia and Egypt. Since both countries emphasize the development and promotion of small-to-midsized enterprises with a view to securing employment for youth, let us examine the situation from the standpoint of investment cases rather than investment values.

First, let us discuss Saudi Arabia. Data on Saudi Arabia compiled during a survey by the Japanese Embassy in Riyadh based on Saudi data in June 1992 revealed Japanese, European (France and the United Kingdom combined), and U.S. investments in manufacturing facilities numbered, 5, 43, and 62, respectively. Thus, the Japan-European-U.S. ratio came to 1 versus 9 versus 12. This situation can be described as hitting a ratio of one Japanese project for 10 projects by Europeans and Americans combined.

Next, what was the situation in Egypt? The foreign investment case count for industrial plants as of the end of June 1992 for Japan, Europe (France and the United Kingdom combined) and the United States stood at 15. 152, and 147, respectively. The ratio stood at 1 versus 10 versus 10. In other words, Japanese investments in Saudi Arabia and Egypt in terms of case count were roughly 1/10th of Europe and the United States. The differences between Japan and Europe and the United States in this respect are conspicuously wider than the travel time differentials between the Middle East and Japan, Europe, and the United States and the differences in historical lag concerning discovery of oil in the Middle East by the three outside representatives. Because of this situation, although Japan is the best client of the Middle East, appreciation for that fact has been cut in half.

#### Necessity for Design of a "Japanese-Style ABC"

Then, what should we do? The answer is simple. We need to increase investments.

However, geographical and historical distances and subsequent psychological distances have resulted in the situation discussed earlier. We need to build bold devices to overcome that situation. There is an ABC approach to all matters. It appears that the application of this approach is the reason for more active investments on the part of Europe and the United States in the Middle East.

In other words, we are speaking of the existence of the "three sacred tools" for the nations of Allah, in the form of Arms, Banking, and Crude oil. Because of space limitations, I will not go into detail, but such activities as the maintenance of security, guidance over foreign investment and loan programs, and implementation of petroleum development, production, sales and refining activities were backed up by multinational firms of Europe and the United States as well as the foreign policies of these nations and contributed to the development of these Middle East countries. Such backing also provided relative peace of mind to the European and American firms at the time of initial investments.

I believe we have come to the stage where our nation should devise a "Japanese-style ABC" formula for strengthening its ties with the Middle East nations.

#### Trade, Investment Issues

932A0312D Tokyo TSUSAN JANARU in Japanese Jul 93 pp 28-29

[Article by Koji Muto, Japan External Trade Organization, Overseas Surveys Department: "Changes in Japan-Middle East Trade and Investment"]

[Text] Postwar Japanese trade was fully resumed after 1950, and in the latter half of the 1950's a transition finally took place from the postwar recovery stage to the economic growth period. Trade with the Middle East (see note) expanded sharply in the latter half of the 1950's. During that period, principal exports included light industrial goods such as textiles, reflecting a resumption of prewar export patterns. Japanese exports during the period included heavy industrial items such as metal products and machinery, and export markets were diversified, but exports to the Middle East were not as diversified as those to other areas because of lags in the industrial growth of target nations and foreign exchange restrictions, which led to limitations on dollar value and product mix. Imports from the Middle East started with crude oil from Iraq in 1949, and expanded annually at a pace that exceeded exports. The deficit trade picture with the Middle East was structurally established during those years. However, it was not until the 1960's that the Japanese energy consumption pattern was to undergo fundamental change. Primary energy supplies in fiscal year 1953 showed that petroleum represented only 33.3 percent of coal consumption, rising to more than half in fiscal year 1963 and 78 percent 10 years later in fiscal year 1973. We can say that it was the stable supply and price structure of oil supplies from the Middle East that characterized the high growth period of the 1960's in Japan. It was under such circumstances that the oil shock struck like lightning out of the clear blue sky. Such events as the restrictions on oil

supplies to Japan emanating from the fourth Middle East war of October 1973 and the major hike in officially posted OPEC prices caused the price of crude oil to rise fourfold from prewar days to 1974. Henceforth consumer nations were plagued by the triple dilemma of international payments deficits, inflation, and recession. Although the oil demand and supply situation eased at an early stage from 1974, it was not until 1978 that the world economy resumed a growth trend. However, in February 1979, Iran which is a major oil-producing nation was hit by a revolution and caused a second oil shock.

#### Foreign Trade During an Oil Boom

The two oil shocks effected a relocation of incomes from consumer nations to oil-producing nations and Middle East oil-producing nations enjoyed an oil boom from 1974 to 1982. The respective nations competed with each other in expanding government systems, adopted social welfare policies and embarked on major development projects. These oil-producing nations were lacking in human resources and other resources exclusive of oil and in order to implement development projects were forced to rely on overseas sources for labor, materials, machinery and construction know-how and such requirements plus expansion in consumption caused a huge demand for imports. Oil-consuming nations faced the issue of how to recover funds used to pay for oil imports.

Two routes were established for the reverse flow of oil dollars. The first route covered the export of goods and services. Japanese exports to the Middle East grew at a high level of 37.3 percent during the 1970s and as a share of Japanese exports grew from 2.8 percent in 1970 to 10.1 percent in 1980. The Middle East was especially attractive as a plant export market and as an overseas construction market. In fiscal year 1980, the Middle East (including Arab North Africa) share of plant exports registered at 35.9 percent. There was also a sharp increase in individual products such as automobiles among transportation equipment, steel pipe and rods among metal products and radios and television sets among electrical equipment. It was also during that period that the expansion in orders for plants, machinery and construction projects required the establishment of on-site support services, installation work and logistics, resulting in the formation of many joint ventures with local capital.

The second route for the reverse flow of oil dollars was the utilization of oil dollars in the Japanese markets. A rush to establish banking and securities operations in Bahrain occurred in support of this channel.

#### Foreign Trade Under an Oil Glut

However, the time came when real oil demand began to fall because of recession in consumer nations, signaling an end to the era of high oil prices. In March 1983, OPEC passed a resolution to drop the official price of oil by \$5 and in 1986 Saudi Arabia abandoned its role as swing producer to effect adjustments in OPEC production and embarked on an effort to regain market share, thus causing a sudden decline in market prices. Japan's Middle East exports, which peaked in 1982 at \$15.9 billion, began a gradual decline and in 1989 fell to \$7.8 billion, about one-half of the peak figure. The share of exports for the Middle East peaked in 1982 at 12.8 percent and dropped to 2.8 percent in 1989. During that period, imports by the Middle East nations dropped from \$125.1 billion in 1982 to \$101.67 billion in 1989, indicating that Japan had lost market share. One reason for this loss of market share was that Japan had placed special emphasis on exports to oil-producing nations which registered sharp drops in imports, while failing to convert to non-oil-producer markets such as Turkey and Israel, which had increased imports during the same period. A second reason was Japan's decline in export competitiveness. The expensive yen and high cost factors prevented Japan from competing effectively with the growing competitiveness of developing nations. Increasingly, it was defeated on price in bids for major pending projects in the civilian public works sector. The result has been a trend towards specialization by Japan in the area of automobile and electrical goods exports.

After entering the 1990's, the stable status of crude oil supply and demand relationships and prices have served as a basis for a change towards stable expansion of economic relations between Japan and the Middle East. This trend is favorably reflected in foreign trade. Japanese exports increased smoothly from 1990 to 1992. Economic recoveries in the oil-producing states have contributed to this trend, but another factor is that a shift has been effected in exports to non-oil-producing nations such as Turkey and Israel. However, the composition of merchandise handled shows there is an increasing specialization in transportation equipment and electrical goods. In 1990, these two groups accounted for 66 percent of the increase, while in 1992 transportation equipment alone accounted for 64.4 percent. A symbolic change is taking place even in the area of imports. Quantitative imports of crude oil are recovering, but monetary values show a gradual decline, and imports of crude oil from the Middle East represent 75 percent of all imports from the area. However, imports of petroleum products and liquefied natural gas are increasing gradually. Although still small in absolute dollar value, we should not overlook imports into Japan of manufactured products from the Middle East. The share of imports of such products was running at 0.6 percent in 1980, but in 1990 had reached 5.9 percent. The increase reflects increasing imports of petrochemicals from oil-producing nations, diamonds from Israel, aluminum from the United Arab Emirates, steel from Turkey and carpets from Iran.

Note: Does not include North African nations and is based on classifications found in the international trade white paper titled "West Asia."

#### Yohei Kono Elected LDP President 17 Sep

OW1709044193 Tokyo KYODO in English 0356 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Yohei Kono, incumbent president of the opposition Liberal Democratic Party (LDP), was elected unopposed Friday [17 September] to a second, two-year term of office, officials said.

Registration for the post opened at party headquarters Friday morning but Kono, 56, was the only candidate. The new president will be formally named at the party convention to be held September 29 to 30, the officials said.

They said 30 LDP parliamentarians, among them secretary general Yoshiro Mori and former Finance Minister Ryutaro Hashimoto, backed Kono's candidacy.

Kono's political future rests on his ability to regain power for his party during his two-year term of office through September 1995.

At the party's general assembly under the slogan of a reformed "new LDP," Kono will urge his fellow LDP members to back a campaign calling on the nation to give the LDP a second chance, the officials said.

Kono, chief cabinet secretary under the cabinet of Prime Minister Kiichi Miyazawa, emerged as a certainty for the presidency after former Foreign Minister Michio Watanabe indicated that he would not contest the position.

Watanabe, who is in ill health, followed up with a formal announcement of a last-minute withdrawal to a group of supporters on Thursday, citing insufficient preparation.

On July 30, Kono beat Watanabe to become the party's 16th president, serving what was to have been the remainder of then LDP President Miyazawa's term.

The LDP failed to gain a lower house majority in the July 18 election. A seven-party coalition led by Morihiro Hosokawa of the Japan New Party formally took over the reins of government on August 9, forcing the LDP into the opposition ranks for the first time in 38 years.

#### 'Priority' To Regain Power

OW1709063293 Tokyo KYODO in English 0555 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Yohei Kono, reelected Friday [17 September] as president of the opposition Liberal Democratic Party (LDP), said his priority is to regain power from the coalition government.

Kono told a news conference after being reelected unopposed to a full two-year term that he is convinced the LDP has a chance to "stand in a responsible position by correcting its posture and proposing attractive policies." He will formally be named at the party convention to be held September 29 to 30, LDP officials said.

The LDP had ruled continuously since 1955 until it was ousted from power in August. The coalition government of seven political parties took over.

Kono, 56, chief cabinet secretary under former Prime Minister Kiichi Miyazawa, was the only candidate for the LDP presidential race. Former Foreign Minister Michio Watanabe, who had been dogged by ill health, announced he was withdrawing, citing insufficient preparation.

Kono beat Watanabe in the July 30 LDP presidential election after Miyazawa stepped down following the party's failure to seize a majority in the House of Representatives in the July 18 general election.

Kono is currently serving as LDP president until September 30, the date of expiry of Miyazawa's two-year term.

Touching on the coalition government's package of four political reform bills, Kono said the LDP has yet to decide whether to submit a counter proposal or demand amendments in the bills.

Earlier Friday, the Cabinet of prime minister Morihiro Hosokawa gave the go-ahead to the political reform bills aimed at rooting out graft that was endemic in Japanese politics.

The government will table the bills in parliament during an extraordinary session opening Friday. Full-fledged deliberations are expected to begin in mid-October.

On discussions about reforms within the LDP such as dissolving factions or introducing a retirement system, Kono said there are various opinions among party members. But he said party executive decisions will not be swayed by "certain opinions."

He indicated he will respect decisions of the party's reform headquarters, saying he will not act against the wishes of LDP members.

#### Hosokawa Urges Political Reform To Regain Trust

OW1709044493 Tokyo KYODO in English 0314 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Prime Minister Morihiro Hosokawa, saying political reform is the "primary task" of his cabinet, stressed Friday [17 September] it must be done quickly to regain public trust in government. Hosokawa, who has staked his future on achieving reform by the end of the year, made the statement after his cabinet gave the go-ahead for a set of governmentsponsored political reform bills.

The government will submit the bills to an extraordinary Diet session opening Friday and plans to begin deliberations in mid-October.

The legislation is aimed at revamping the electoral system for the powerful House of Representatives and tightening curbs on political funding.

Chief Cabinet Secretary Masayoshi Takemura told a news conference that achieving political reform is the Hosokawa cabinet's priority. Two previous efforts in the past three years were foiled.

Before tackling economic and other pressing issues, the cabinet must first push for political reform, the top government spokesman said.

Takemura reacted with disdain to a remark by Foreign Minister Tsutomu Hata that the lower house will be dissolved for a general election by the end of the year if Hosokawa fails to pass the political reform bills through the Diet.

Hata, who is also deputy prime minister, made the comment in Phnom Penh on Thursday.

"We do not anticipate failure in passing the bills," Takemura said. "We will put our all into their complete passage."

#### BOJ's Mieno Welcomes New Stimulus Package OW1709071993 Tokyo KYODO in English 0701 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Bank of Japan Gov. Yasushi Mieno said Friday he has high hopes that the deregulation steps included in the government's new stimulus package will boost the economy.

"Deregulations and reviewing of trading practices will not only increase imports by opening markets but will also help boost domestic demand and streamline the economy through expansion of domestic investment chances," Mieno said. He was addressing an annual meeting of brokerage houses nationwide.

Mieno called on the government to "steadily implement those measures."

On Thursday, the government unveiled its 6.2 trillion yen program with 94 items included for deregulation.

"Clear signs for economic recovery have not yet been confirmed with capital investment and personal consumption, the pillar of private demand, remaining sluggish," Mieno said. But the outlook for economic recovery is "gradually improving," he said, particularly in stocks adjustments, and "the effects of the latest fiscal and monetary measures are expected to spread even more."

Mieno did not touch on a widely anticipated discount rate cut, but he said the central bank will closely watch economic and financial conditions.

#### LDP Leaders Criticize Economic Stimulus Package

OW1709053593 Tokyo KYODO in English 0448 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Top leaders of the opposition Liberal Democratic Party (LDP) on Friday [17 September] criticized the economic stimulus package announced by the government of Prime Minister Morihiro Hosokawa, party officials said.

They said LDP President Yohei Kono and Ryutaro Hashimoto, chairman of the LDP Policy Affairs Research Council, expressed critical views of Thursday's package in a meeting with leaders of the Federation of Economic Organizations (Keidanren).

Keidanren Chairman Gaishi Hiraiwa also attended the meeting.

Hashimoto expressed doubts about the package, saying it was not worked out under the leadership of the ruling coalition but only a patchwork of ideas from various government offices.

Kono said electric power companies should use their windfall profits from the yen's appreciations for capital spending, instead of passing them on to consumers in monthly amounts of less than 100 yen per household as proposed under the package.

#### Hosokawa, Others Support Income Tax Cuts

OW1709052793 Tokyo KYODO in English 0453 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—Prime Minister Morihiro Hosokawa on Friday [17 September] indicated support for proposed income tax cuts as part of additional pump-priming measures.

Hosokawa told an informal meeting of Cabinet ministers that 70 percent of the people he met favor income tax cuts, government officials said.

Income tax cuts were not included in the government's pump-priming package announced Thursday.

Finance minister Hirohisa Fujii agreed with Hosokawa's assessment on the proportion of Japanese favoring income tax cuts, the officials said.

Fujii estimated that 40 percent of them support raises in some taxes and cuts in others in combination with the proposed income tax cuts, while the other 30 percent advocate issuing deficit-covering government bonds.

Fujii also indicated many officials support a raise in the consumption tax from the present 3.0 percent to make up for income tax cuts, according to the officials.

Labor Minister Chikara Sakaguchi, attending the same meeting, expressed support for a proposal to cut the income tax first and to raise the consumption tax later, they said. Chief Cabinet Secretary Masayoshi Takemura later told reporters that the government is ready to consider additional pump-priming measures, including income tax cuts.

## SDF Budget Request Endorsed, Including AWACS

OW1709054393 Tokyo KYODO in English 0520 GMT 17 Sep 93

[Text] Tokyo, Sept. 17 KYODO—The country's Supreme Defense Policy board on Friday [17 September] endorsed the Defense Agency's budgetary request for 4,731 billion yen in fiscal 1994, representing an increase of 1.95 percent from the original budget for the current fiscal year, officials said.

The Defense Agency request, approved by the sevenmember Security Council, headed by Prime Minister Morihiro Hosokawa, represents the smallest yearon-year growth since 1961. The low growth reflects moves to cut military spending following the end of Cold War, the officials said.

Major items in the budget requests include purchases of two AWACS [airborne warning and control system] planes for the Air Self-Defense Force (ASDF).

The government will compile the final budget for the fiscal year, starting next April, in December following negotiations between government and officials of the ruling coalition.

The Security Council comprises the prime minister, Finance Minister Hirohisa Fujii, Foreign Minister Tsutomu Hata, Chief Cabinet Secretary Masayoshi Takemura, National Public Safety Commission Chairman Kanju Sato, Defense Agency Director General Keisuke Nakanishi and Economic Planning Agency Director General Manae Kubota.

Major defense policy matters need approval of the Council.

#### North Korea

#### Ministry Spokesman Welcomes PLO-Israeli Accord

SK1709104993 Pyongyang KCNA in English 1012 GMT 17 Sep 93

[Text] Pyongyang, September 17 (KCNA)—A spokesman for the DPRK Foreign Ministry, speaking in reply to a question put by KCNA today regarding the conclusion of the Palestine Liberation Organization [PLO]-Israel accord on self-rule in Gaza and Jericho, said:

The PLO and Israel concluded an accord or Palestinian self-rule in the Gaza Strip and West Bank city of Jericho following their mutual recognition recently.

Considering this a good thing should it lead to a final settlement of the Palestinian issue, we welcome it.

It is the Palestinian people themselves who are responsible for the Palestinian issue, and we respect their will for its solution.

Our people will as ever support the Palestinian people's efforts to restore their legitimate national rights.

We hope the step will be a starting-point in completely restoring the national rights of the Palestinian people including the right to found an independent state and in solving the Middle East issue in a fair and comprehensive way in the interests of the Arab people.

#### Chinese NPC Delegation Visits Martyrs Cemetery

SK1709124293 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 13 Sep 93

[Text] The visiting delegation of the National People's Congress [NPC] of China led by Wang Hanbin, vice chairman of the NPC Standing Committee, laid wreaths at the Taesongsan Martyrs Cemetery and the Friendship Tower on 13 September.

Paek In-chun, vice chairman of the DPRK Supreme People's Assembly; functionaries of sectors concerned; and Ning Fukui, charge d'affaires ad interim of the Chinese Embassy in our country, were present at the wreath laying ceremony.

The guests laid a wreath at the Taesongsan Martyrs Cemetery first. Participants paid a silent tribute to the memory of revolutionary martyrs who had devoted their lives to the sacred cause for the liberation of the fatherland and the people's liberty and happiness.

Next, the delegation laid a wreath at the Friendship Tower. Participants paid a silent tribute to the memory of martyrs of the Chinese People's Volunteers.

The delegation looked upon the martyrs cemetery and the Friendship Tower.

#### Kim Il-song Receives Envoys' Credentials

#### From Ethiopian Ambassador

SK1609135893 Pyongyang KCNA in English 1026 GMT 16 Sep 93

[Text] Pyongyang, September 16 (KCNA)—The great leader President Kim Il-song today received the credentials from newly appointed Ethiopian Ambassador E.P. [extraordinary and plenipotentiary] to Korea, Getachew Zerihun.

Kim Yong-nam, vice-premier and foreign minister, and an official of the Ethiopian Embassy were present on the occasion.

President Kim Il-song had a talk with the ambassador after receiving the credentials.

#### From Sudanese Ambassador

SK1709115893 Pyongyang KCNA in English 1009 GMT 17 Sep 93

[Text] Pyongyang, September 17 (KCNA)—Newly appointed Sudanese Ambassador E.P. [extraordinary and plenipotentiary] to Korea 'Ali Yusuf Ahmad presented his credentials to the great leader President Kim Il-song on September 17.

Present at the presentation ceremony were Vice-premier and Foreign Minister Kim Yong-nam and an official of the Sudanese Embassy.

President Kim Il-song had a conversation with the ambassador after receiving the credentials.

#### Kim Il-song Receives Foreign Leaders' Greetings

#### From Iranian President

SK1709094193 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 14 Sep 93

[Text] The great leader Comrade Kim Il-song received a congratulatory message from Islamic Republic of Iran President 'Ali Akbar Hashemi-Rafsanjani on the 45th anniversary of the founding of the DPRK. The message reads:

Pyongyang.

Your Excellency DPRK President Kim Il-song.

I am pleased to extend my congratulation to you and your government and people on the DPRK national day.

I hope that the reunification on the Korean peninsula will be realized in the near future. We are also confident that the relations existing between our two countries will be further expanded.

Taking this opportunity. I wish you good health and success in your work. I also wish the Korean people happiness and prosperity.

[Signed] 'Ali Akbar Hashemi-Rafsanjani, president of the Islamic Republic of Iran. [Dated] 8 September 1993, Tehran

#### From Foreign Leaders

SK1709054893 Pyongyang KCNA in English 0423 GMT 17 Sep 93

[Text] Pyongyang, September 17 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received messages of greetings from heads of state of various countries on the occasion of the 45th founding anniversary of the DPRK.

The messages came from 'Umar Hasan Ahmad al-Bashir, president of the Revolutionary Command Council for National Salvation of the Sudan; Mahamane Ousmane, president of the Republic of Niger; Cheddi Bharrat Jagan, president of the Cooperative Republic of Guyana; Sali Berisha, president of the Republic of Albania; Frederick Jacob Titus Chiluba, president of the Republic of Zambia; Hubert Alexander Ingraham, prime minister of the Commonwealth of the Bahamas; and Clifford Daring, governor-general of the Commonwealth of the Bahamas.

In the messages they reaffirmed the r will to strive for the strengthening and development of friendly and cooperative relations between Korea and their countries.

They wished President Kim Il-song good health and long life.

#### Kim Il-song, Kim Chong-il Receive Gifts

SK1609134893 Pyongyang KCNA in English 1016 GMT 16 Sep 93

[Text] Pyongyang, September 16 (KCNA)—More than 540 pieces of gifts came to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il from foreign heads of state and government, party leaders, highly placed figures, delegations and friendship organisations around the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War.

They included ornaments of gold, silver, jade and ivory and rare medicaments, sculptures, crafts, musical instruments and valuables.

The Zambian president sent a craft of eagle and clock done on a copper board. The eagle carries the wish that the Korean people under the wise leadership of President Kim Il-song will achieve a new victory, surmounting difficulties and the clock means the shortening of time in achieving victory. The general secretary of the Togolese People's Rally presented a long sword to Comrade Kim Chong-il.

He said:

"It represents the wish of my party members that Comrade Kim Chong-il, supreme commander of the Korean People's Army, will mow down enemies, wielding it."

The gifts from abroad including the ceramic craft "a man holding a lion", the wood carvings "reunification" and "a thinker" will be the nation's treasures showing reverence for and trust of all people in the great men of the world.

#### Kim Chong-il Sends Birthday Tables to Women SK1709115493 Pyongyang KCNA in English 1003 GMT 17 Sep 93

[Text] Pyongyang, September 17 (KCNA)—The dear leader Comrade Kim Chong-il sent a benevolent birthday table to Kang Myong- se, an old woman residing in the Pukchung Workers' Settlement, Yong-chon County, North Pyongan Province, congratulating her on her centennial birthday.

She, born into a poor peasant's family, has lived an ordinary life to be a centenarian. She is the oldest woman of a large family with her sons and daughters, grandsons and granddaughters, who have turned 80, 70, 60 and 50, and other children, nearly 170 in all.

Comrade Kim Chong-il sent a birthday table to Yi Mu-yong, a daughter of a revolutionary martyr, residing in Naknang District, Pyongyang, on her 70th birthday.

The great leader President Kim Il-song met Yi Mu-yong and her brothers early this year and acquainted himself with their work and life down to detail. He, looking back upon the struggle of her father, the commander of the Chirisan people's guerrilla, inspired them to carry to completion the cause of national reunification left unaccomplished by their father.

Comrade Kim Chong-il repeatedly took benevolent measures so that Yi Mu-yong and her brothers and children would follow the road of revolution through generations and saw to it that she may spend her remaining days without worries in a new flat of Tongil Street.

The health of the people are well protected and promoted by the universal free medical care system and various popular policies with the result that an increasing number of people enjoy longevity in the Democratic People's Republic of Korea. The people's life expectancy at birth has reached 74.5.

#### Kim Chong-il Receives Messages From Abroad

SK1709055093 Pyongyang KCNA in English 0426 GMT 17 Sep 93

[Text] Pyongyang, September 17 (KCNA)—Messages of greetings came to the dear leader Comrade Kim Chong-il from foreign party leaders on the occasion of the 45th founding anniversary of the Democratic People's Republic of Korea.

They came from Garib Newaz, president of the Bangladesh People's League; Nir Mal Sen, general secretary of the Central Committee of the Workers and Peasants Socialist Party of Bangladesh; Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru; Peter Persaud, leader of the Amerindian Action Movement of Guyana; Leon Nzokene, general secretary of the Congolese Socialist Party; and Daniel Ortega Saavedra, general secretary of the Sandinist National Liberation Front of Nicaragua.

They extended warmest congratulations to Comrade Kim Chong-il and wished him good health and long life.

They expressed the belief that the Korean people would continue to make brilliant successes in socialist construction under the wise leadership of Comrade Kim Chongil.

#### O Chin-u Cables Iranian Defense Minister

SK1609214293 Pyongyang KCNA in English 1509 GMT 16 Sep 93

[Text] Pyongyang, September 16 (KCNA)—Marshal O Chin-u, minister of People's Armed Forces, sent a message of greetings to Mohammad Foruzandeh upon his appointment as minister of Defence and Armed Forces logistics of Iran.

The message expressed the belief that the friendly and cooperative relations between the peoples and Armed Forces of the two countries would continue to develop favorably and wished him uccess at his new post.

#### Kim Yong-nam Receives New Sudanese Ambassador

SK1709052493 Pyongyang KCNA in English 1511 GMT 16 Sep 93

[Text] Pyongyang, September 16 (KCNA)— Vice-Premier and Foreign Minister Kim Yong-nam Thursday met and had a talk with newly appointed Sudanese Ambassador to Korea Ali Yousif Ahmed who paid a courtesy call on him.

#### **Cables Beninese Counterpart**

SK1609043493 Pyongyang KCNA in English 0415 GMT 16 Sep 93

[Text] Pyongyang, September 16 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Robert Dossou upon his appointment as Minister of Foreign Affairs and cooperation of the Republic of Benin.

The message expressed the belief that the friendly and cooperative relations between the two countries would continue to develop favorably in the interests of the two peoples in the future and wished him big success in his work.

#### Cables Algerian Counterpart

SK1709051693 Pyongyang KCNA in English 1510 GMT 16 Sep 93

[Text] Pyongyang, September 16 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Mohamed Saleh Denbri upon his appointment as Foreign Minister of Algeria.

Expressing the belief that the friendly and cooperative relations between the two countries would further develop in the interests of the two peoples, the message wished him great success in his responsible work.

#### North Says South Infiltrates 'Spy Boat' 16 Sep

SK1609132193 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 16 Sep 93

[Text] The South Korean puppets infiltrated a spy boat deep into territorial waters on the West Sea in our side and perpetrated espionage activities today.

At around 1306 [0406 GMT], the South Korean puppets, taking advantage of the fog, set in the sea along the west coast; secretly infiltrated a spy boat into our side's sea near Maap Island in front of Chejangri, Ongjin County, South Hwanghae Province; and conducted espionage activities on areas along our side's coastline.

The naval patrol vessels of the Korean People's Army [KPA], which were carrying out maritime patrol duty while firmly defending maritime outposts of the socialist fatherland and watching every movement of the enemy, were urgently mobilized to the sea zone on the spot.

The combat ship of the pupper navy, which was protecting the spy boat in Taechong Island while watching the course of its infiltration, hastily approached the spy boat by crossing the maritime demarcation line.

Timed to coincide with this, four ships, including destroyers and combat ships, infiltrated deep into the sea of our side in combat formation from the west of Taechong Island.

Because of the South Korean puppets' arms buildup maneuvers, an extremely dangerous situation, which can be expanded to an armed clash, was created on this sea zone.

Since our naval patrol vessels were reinforced in order to cope with the South Korean puppets' provocative maneuvers and guns in the coast and airplanes of the Air Forces showed a stance to take strong self-defensive steps, the rascals, being bewildered by this, moved the gangsters from the spy boat to a combat ship and hastily fled to the South.

The naval patrol vessels of the KPA that advanced to the sea zone on the spot captured the spy boat.

The fact that the incident of infiltrating a spy boat did not expand into an armed clash between the two sides is entirely the result of our patience and power of selfcontrol.

The South Korean puppets' infiltration of combat ships and maritime espionage activities undisguisedly committed in broad daylight are the rascals' premeditated and preplanned provocative maneuvers aimed at instigating North-South confrontation and at artificially aggravating the situation.

The South Korean puppets should look straight at the situation created on the Korean peninsula owing to their repeated military provocative maneuvers. They should

act with discretion. If the South Korean puppets continuously adhere to confrontation and war maneuvers despite our repeated warnings, they will not be able to evade stern punishment.

#### Daily Blames South for Role in Talks With U.S.

SK1609131393 Pyongyang Radio Pyongyang in Korean to South Korea 0555 GMT 16 Sep 93

[NODONG SINMUN 16 September commentary: "Brazen-faced Stubbornness"]

[Text] The South Korean authorities are making many absurd remarks in connection with the third round of DPRK-U.S. talks. One of the absurd remarks is that the third round of talks between the United States and us cannot be held as long as there is no progress in the South-North dialogue and the nuclear inspection issue is not resolved, and so on.

They continue to beg for sanctions against us in connection with our so-called nuclear issue. From the outset, the South Korean authorities are not qualified nor have the face to play a part in the DPRK-U.S. talks. For the South Korean authorities, who have no authority in the talks between the two sovereign states of the United States and us, to come forward and say this or that, putting forward their interest, runs counter to diplomatic common sense.

Moreover, the South Korean authorities have not yet accepted our proposal of solving pending issues, including the nuclear issue on the Korean peninsula, through North-South dialogue. Therefore, for the South Korean authorities to put the brakes in the DPRK-U.S. talks under the pretext of the South-North dialogue at a time when there is progress in resolving the nuclear issue on the Korean peninsula between the United States and us is a self-contradictory stubbornness and an expression of wicked intention.

All acts by the South Korean ruling bunch are interfering in the DPRK-U.S. talks. Therefore, they are trying to delay and stop resolving the nuclear issue on the Korean peninsula, realizing denuclearization on the Korean peninsula, and to obtain interests by carrying out international sanctions against us in whatever way. It is clear to anyone that this is a defiling maneuver.

The South Korean ruling bunch is misleading the public opinion by saying that we are the ones responsible for the break in the North- South dialogue. This cannot be ignored by any means.

Recently the so-called vice minister of the Board of National Unification said that if the nuclear issue can be resolved it is willing to carry out dialogue, whatever form it may be. He babbled as if we were not welcoming dialogue. This is a brazen-faced sophistry which only the schemers who are under the habit of turning black into white can do.

As widely known, our firm position is to solve all problems arising between the North and South through dialogue. We have put forth many reunification methods, the history of relations between the North and South proves this.

It is the South Korean authorities who are responsible for not being able to hold the North-South dialogue. This is clear when viewing the issue of exchanging special envoys. The whole world knows that under an unreasonable excuse, the South Korean authorities have been ignoring our proposal for the exchange of special envoys.

Before our repeated demand, they pretended to accept our proposal reluctantly. However, they are even avoiding to express their opinion on suspending the nuclear war exercise opposing the fellow countrymen and on bringing about talk on the international cooperation system regarding our nonexistent nuclear issue.

This means that the South Korean ruling bunch will continue to carry out the nuclear war exercise which opposes the other side of dialogue and continue to carry out maneuvers to conspire against the other side of dialogue along with the international reactionary forces. Dialogue cannot be achieved and problems cannot be solved under this kind of situation.

For the South Korean ruling bunch to break the North-South dialogue, shift the responsibility to us, and put forth the resumption of the North-South dialogue as a precondition for the DPRK-U.S. talks, are acts having no conscience at all.

The South Korean ruling bunch must know that if they carry out that kind of act, even though they have no real power and qualifications, their antinational character of a puppet government will be all the more revealing and will only be disgraced before the international society.

#### Daily: South's 'SPB' 'Meddling' in N-S Talks SK1709050093 Pyongyang KCNA in English 0435 GMT 17 Sep 93

["SPB' Roisters and Swaggers"-KCNA headline]

[Text] Pyongyang, September 17 (KCNA)—The notorious "Security Planning Board" (SPB) of South Korea summoned all the staffers of the "secretariat of North-South talks" of the "unification board" and tormented them with "security education". Commenting on this, NODONG SINMUN today says: It must be taken seriously that the "SPB" is raising its head again and openly meddling in the problem of the North-South relations.

The analyst goes on:

In the past many contacts and dialogues between the North and the South did not bear proper fruits and the North-South relations went from bad to worse and tensions increased entirely due to the intrigues of the "SPB".

It is with the behind-the-scene manipulation of the "SPB" that the South side is opposing our epochal proposal for the exchange of special envoys and laying artificial difficulties and obstacles in its way. That the "SPB" is raising its head again and interfering in the North-South relations, throwing its weight about, shows that the criminal nature of the "SPB" has not changed and the socalled "civilian government" is twisted around its finger.

A progress of the North-South dialogue cannot be expected as long as the anti-popular, anti-national and anti-communist fascist plot- breeding machine such as the "SPB" continues to meddle in the dialogue, riding high and mighty in South Korea. The "SPB's" interference in the North-South relations must never be allowed and it is an insult to the entire fellow countrymen desirous of national reconciliation, unity and reunification to sit at the negotiating table with it.

If the South Korean "regime" truly want the North-South dialogue and the improvement of the North-South relations, it must bar the "SPB" from squeezing into the dialogue and dissolve it and blow it up as demanded by the people.

Daily: Japan Lacks 'Dignity' for Security Council SK1709053193 Pyongyang KCNA in English 0441 GMT 17 Sep 93

["Honest Liquidation of Past Is Prerequisite"—KCNA headline]

[Text] Pyongyang, September 17 (KCNA)—If Japan is to play a due role in the international arena, it must sincerely repent of and apologize for its past crimes and make an adequate compensation, stresses NODONG SINMUN in a commentary today. Pointing to Japan's overheated efforts to create an international climate for its permanent membership of the U.N. Security Council on the threshold of the U.N. General Assembly this year, the analyst says:

Japan does not have the qualification and dignity for a permanent member of the U.N. Security Council.

Japan has not yet liquidated the crimes it committed in the past against world peace and security, international justice and morality.

In the past, Japan committed brutal wars of aggression and imposed colonial rule on Asian countries and afflicted immeasurable misfortunes, sufferings and disasters on the peoples in the region. Especially, Japan forcibly drafted more than six million Koreans by putting in action state power, killed over one million Koreans and took away nearly 200,000 Korean women as "comfort women for the army" and reduced them to sex slaves for the Japanese Army. This was an antihuman crime violating international justice and morality.

How can this nation which has not broken with the past of aggression be considered qualified for a responsible position in the United Nations?

Japan schemes to justify its conversion into a military power and nuclear power, expand its political and military influence worldwide and realise by strength its dominationist ambition it failed to do in the past. That is why Japan is working hard to become a permanent member of the U.N. Security Council.

If Japan ranked among the permanent membership without properly atoning for the past of aggression, there might arise complex problems in preserving world peace and security and the world body's authority and credit may be damaged.

#### KCNA Reports 'Gratifying Crops' in West

SK1609134393 Pyongyang KCNA in English 1010 GMT 16 Sep 93

[Text] Pyongyang, September 16 (KCNA)—Gratifying crops have visited the Chaeryong plain, a granary on the west coast of Korea.

The Anak, Sinchon and Chaeryong counties on the plain foresee 8 to 8.2 tons of paddy rice from each hectare this year.

At the Paeksok, Usan, Saekil, Saenal and Myongsok cooperative farms in Sinchon County the number of rice ears per pyong (one pyong equals six feet square) this year is 140 greater than last year, and that of grains per ear 6 greater. 9 to 10 tons of paddy rice are expected from each hectare.

Per hectare yield of paddy rice is expected to reach 11 to 12 tons on many fields of the Okuk, Taechu, Omkot, Kulsan and Kuwa cooperative farms in Anak County.

Maize farming has also done well.

Every 1,000 grains of maize in Anak County this year weigh 30 grams heavier than last year.

Many cooperative farms on the Chaeryong plain are likely to gather in 10 to 12 tons of maize from each hectare this year.

Thus, Anak and Sinchon counties look ahead to an increase of more than 40,000 tons each in grain harvest over last year, and Chaeryong County an increase of above 18,000 tons as against the peak year.

#### Officials Discuss 'Unprecedented Bumper Crops'

SK1709103393 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 14 Sep 93

[Text] Agricultural workers throughout the country, who have achieved unprecedented bumper crops this year, are now accelerating harvesting work. A station reporter met Cha In-sok, deputy director of a department of the

Agricultural Committee, and Yi Won-sok, functionary of the committee. They say:

[Begin recording] [Cha] Thanks to the great leader's wise leadership every rural village throughout our country is enjoying unprecedented bumper crops this year. Corn farming on rice field levees has achieved bumper crops not only in Yonbaek Plain and Yoltusamcholli Plain, but also in the plains, intermediate and remote mountain areas, and even reclaimed tideland areas throughout the country. People are overflowing with joy because of the bumper crops and are proud of them.

[Yi] We have a series of peculiarities in corn farming this year as in the case of farming other grains, too. The first peculiarity is that there were no corn canes that did not bear corn ears this year and that two or three more corn ears were produced per pyong [one pyong is 3.954 square yards] over the previous years. In some cooperative farms five corn ears were produced per pyong over the previous years. The second peculiarity is that one corn ear had 30 to 50 more grains of corn over the previous year. Another one is that the weight of each ear of corn is greater than the previous year.

The number of those cooperative farms whose corn harvest this year is estimated to be more than 8 tonnes, 10 tonnes, or 12 tonnes per chongbo [one chongbo is 2.451 acres] has increased by far. Thus, we have achieved bumper crops this year. This is a result of the great leader's and the dear comrade leader's wise leadership in the struggle to increase agricultural production. Attaching great significance to agricultural production and to the production of grains in particular, the great leader organized agricultural work and taught the direction of farm work by province since the beginning of this year. Thus, he has taught in detail the direction and method of agricultural production this year.

The dear comrade leader not only has established measures to supply in a timely manner materials needed in farm work, including chemical fertilizer, but has also taken various steps to vigorously support farm villages.

Recently, the great leader gave an on-the-spot guidance to cooperative farms in North Hamgyong and South Hwanghae Provinces and to the Tongsin cooperative farm and the Changchon cooperative farm in Sadong-kuyok, Pyongyang city. There, expressing satisfaction over the good crop in these farms, the great leader highly appreciated the success attained by guiding functionaries of the agricultural sector and agricultural working people. [end recording]

Yes, that is right. Stressing that the most important task facing the rural economic sector at present is to harvest in a timely manner the bumper grains without wasting even a grain, the great leader taught that we should properly carry out preparations for harvesting and grain threshing in advance and briskly finish harvesting grain threshing work in a short period of time.

The agricultural working people throughout the country are effecting great success in the struggle to harvest bumper grains without wasting a single grain. Concentrating all possible efforts on harvesting corn cooperative farms are harvesting corn in accordance with the corn harvesting plan established at every corn field. As a result of this, the corn harvesting work is being fulfilled ahead of schedule. South Hwanghae Province is harvesting the corn in the area of more than 4 percent of its total corn cultivation area everyday. It has completed harvesting corn in the area of more than 60 percent of its total corn cultivation area. In Pyongyang, corn harvesting is being accelerated, as well.

In particular, cooperative farms in Paechon, Yonan, and Chongdan Counties; (Songsin) and (Changchun) cooperative farms in Pyongyang city; and cooperative farms in Onchon County are taking a lead in corn harvesting.

#### Yi In-mo Inspects Pyongyang Sites

SK1709052993 Pyongyang KCNA in English 0456 GMT 17 Sep 93

[Text] Pyongyang, September 17 (KCNA)—Yi In-mo, the incarnation of faith and will, visited Kim Il-song University.

He saw historical materials and mementoes on display with deep emotion, hearing explanations about the development of the university, which was founded as the first university of the people in the country after the liberation under the wise leadership and deep care of the great leader President Kim Il-song, into a training centre of native cadres and about the imperishable feats of the dear leader Comrade Kim Chong-il in guiding the university to discharge its mission and duty as the highest seat of chuche-based education, while conducting revolutionary activities there.

Yi also inspected the Mangyongdae School Children's Palace.

He was deeply impressed by the happiest life of school children who are sturdily growing to be reliable pillars of the country with rich knowledge, high morality and strong body, displaying their wisdom and talents to their heart's content in various circle rooms including science and technology, art and physical culture rooms.

He also met with Yi Chang-ung, an officer of the Korean People's Army, and his six brothers and one sister of the KPA who received an autographic letter from Comrade Kim Chong-il.

Looking back on the days when he endured all manner of tortures by the enemy in South Korean jail, left all alone, he said that he could win the fight against the enemy who tried to force ideological conversion on him, entirely because he struggled, trusting the great General Kim Il-song as the mental mainstay.

Yi told them that they should become loyal subjects, filial sons and daughter fighting in the spirit that they

should not fear death for Comrade Kim Il-song and Comrade Kim Chong-il, believing that the motherland and the people owe their existence to them.

#### South Korea

Daily Comments on Robert Gallucci's Visit SK1609141593 Seoul CHOSON ILBO in Korean 15 Sep 93 p 2

[Article by An Hui-chang, reporter of the North Korean Department, from the "Reporter's Notebook" column: "Gallucci's Visit to the ROK"]

[Text] Through his visit to the ROK, Robert Gallucci, U.S. assistant secretary and senior delegate to the U.S.-North Korea talks, seems to have clarified some "ambiguous" points in handling North Korea's nuclear issues.

Prior to Assistant Secretary Gallucci's visit to the ROK, there were differences over how the United States will tackle the third round of talks with North Korea at a time when North Korea is assuming a negative stance on the North-South dialogue and inspection of the International Atomic Energy Agency [IAEA].

North Korea has also claimed through various channels that the negotiations with the IAEA and "significant progress" in the North-South talks cannot be prerequisite to the third round of the U.S.- North Korea talks.

However, Assistant Secretary Gallucci spelled out a firm position that the third round of talks will be impossible unless North Korea changes its attitude.

Accordingly, it seems unlikely that the third round of U.S.-North Korea talks will be held unless North Korea renounces its demands on suspension of nuclear war exercises and the international cooperative system.

Then what sort of moves will North Korea take? Some predict that North Korea may retract its decision to put on hold the announcement on withdrawing from the Nuclear Nonproliferation Treaty; this means that North Korea will again employ such strong attacking tactic as to gain satisfactory results from the threat of withdrawal as it did before. Nevertheless, the view in which North Korea will attempt to hold the third stage of negotiations with the United States by exhibiting "minimum" efforts prevails, since such attacking tactic lacks justification and the international public will not tolerate it. This is because there is no need for North Korea to confront strongly the United States when North Korea has profited in its own way.

The ROK should prepare for North Korea's attitude under any circumstances. Taking into account the last two rounds of the U.S.- North Korea talks, the ROK ought to frame steps based on the latter's opinion. North Korea's attitude toward the North-South dialogue has become obvious since the last Geneva talks held in July; that is: Thoroughly exclude South Korea but keep the

North- South dialogue "alive" within the boundary of continuing negotiations with the United States.

As the United States has delivered a strong message this time, there is a strong possibility that North Korea will again adopt a "flexible attitude."

Under these circumstances, how should the ROK respond to this? Should the ROK merely respond to North Korea "on the level of preventing being accused of a dialogue avoider" or "out of the perception to resolve the nuclear issue with North Korea on the national level?"

Or should the ROK exhibit resolute attitude until North Korea "truly" wants to hold a dialogue even if it means more-or-less burdening the ROK? The ROK Government should assume some sort of clear stance on these questions.

Daily Analyzes U.S. Stance on Pyongyang Talks SK1709104193 Seoul KYONGHYANG SINMUN in Korean 17 Sep 93 p 3

[By Washington correspondent Kim Hak-sun]

[Text] At a time when North Korea's will to resolve the nuclear issue is causing suspicion, the United States and North Korea held a councillor-level contact—the official channel for dialogue so far—in Beijing on 15 September. This is attracting much attention.

This is the first contact since North Korea and the United States held the second round of high-level talks in Geneva in July. What is also attracting attention is the fact that the contact was held right before 19 September, the date which was tentatively set to hold the contact.

Customarily, the United States only confirmed the fact that the contact was held. It avoided making any statement at all on the content of the contact.

Nevertheless, the U.S. State Department explained its basic position, thus using indirect language to make it possible to analogize the content of the contact. The U.S. State Department explains that North Korea is well aware that if it does not show a sincere attitude in the negotiations with the International Atomic Energy Agency [IAEA] for nuclear inspection and in South-North dialogue for mutual nuclear inspection, the expected third round of high-level talks between North Korea and the United States cannot be held.

The United States recently emphasized on various occasions that if North Korea once again tries to gain time, it will have to refer the nuclear issue to the U.N. Security Council.

U.S. Secretary of State Warren Christopher had already declared this kind of policy, and, on 14 September, James Laney reasserted this at a U.S. Senate hearing to ratify his appointment as U.S. ambassador to the ROK. U.S. State Department spokesman Michael McCurry

and officials in charge of East Asia and Pacific Affairs were also in complete agreement with this, which was emphasized by Robert Gallucci, U.S. assistant secretary of state in charge of political and military affairs, before and after his visit to Seoul.

The contact resulted not only in great dissatisfaction to the United States because North Korea did not fulfill its promise to show a sincere attitude in holding talks with the IAEA and the ROK, but there was talk that the United States requested to hold the contact, which was in fact to deliver a message of warning to North Korea.

Until late August the United States expressed the will to hold the third round of talks, which was promised from the very beginning, if North Korea starts dialogue with the IAEA and the ROK.

However, apart from the attitude of the United States, North Korea continued to show an insincere attitude in the dialogue with the IAEA as well as the ROK. Thus, dissatisfaction by hard liners within and outside of the U.S. Government and officials of the ROK Government grew.

It is a fact that experts on North Korea in the United States are all the more suspicious that North Korea is trying to develop nuclear weapons, which would be ideal for securing the regime, through avoiding international sanctions and by gaining time.

As mentioned by the newly appointed U.S. ambassador to the ROK, if North Korea does not recognize that patience by the U.S. is gradually running out, there is the possibility that it will be faced with a more difficult situation.

It was believed that North Korea had some will to resolve the nuclear issue right after the second round of high-level talks.

Under these circumstances there are rumors that the United States will move the venue of the third round of talks from Geneva to Vienna to turn it purely into talks that discuss the nuclear issue, moving away from talks that have political characteristics. However, this itself is dependent on North Korea's attitude.

The final date has not been settled yet for holding the third round of talks between North Korea and the United States, but it now seems that North Korea's hit and run tactic, which tests the patience of the United States, is approaching the stage of being tested.

#### Papers on French President Mitterrand's Visit SK1709115693

[Editorial Report] Seoul CHOSON ILBO and HANGUK ILBO, moderate ROK vernacular dailies, and HANGYORE SINMUN, an ROK vernacular with a slight tendency toward the opposition, each carry on page 3 of their 16 September issue 800-word editorials on French President Mitterrand's Seoul visit.

While agreeing that the main motivation of the French president's visit to Seoul is the ROK's introduction of France's TGV high-speed train technology, the CHOSON ILBO editorial assesses his visit to the ROK as an opening of a new stage in ROK-French relations in political, economic, social, scientific and technological, and cultural fields.

The editorial points out France's unique and omnidirectional diplomacy, highlighting its recognition of the PRC a long time ago, its withdrawal from the NATO Military Committee, and the establishment of a mission in North Korea several years ago, and says all this has now become no barrier in cooperative relations between the ROK and France.

The editorial stresses the significance of ROK-French relations not only in the ROK economy but in the ROK's diplomatic diversification and hopes for a good partnership between the two countries based on the reality and mutual understanding.

The HANGUK ILBO editorial begins with a description of the ROK-French relationship that has emerged with President Mitterrand's Seoul visit, calling it a "honeymoon."

The editorial welcomes the French president's promise to return to the ROK old Korean documents, which France had taken by force, and expects that the two countries will develop their relations, which were once estranged because of the establishment of a French mission in North Korea, by sincerely implementing all commitments made during the ROK-French summit.

The HANGYORE SINMUN editorial calls Mitterrand's Seoul visit an "historical event in ROK-French relations," noting that Mitterrand is the first French president to visit the ROK.

The editorial says that the ROK and France were politically alienated because there was no common interest between the two countries and because France was inactive in establishing close relations with the ROK's "military dictatorial regime" under the U.S. influence.

The editorial notes the worldwide level of French ultramodern technologies in various fields including aviation, space, medical science, and communications and urges the government to make great efforts in future negotiations with France to introduce French technologies and to secure the French market.

The editorial concludes by pointing out that two important Korean documents, which France has not promised to return, should be included in the list of documents to be returned.

#### Trade Minister Receives Australian Counterpart

SK1709060093 Seoul YONHAP in English 0050 GMT 17 Sep 93

[Text] Seoul, Sept. 17 (YONHAP)—South Korea and Australia discussed ways to expand bilateral trade and industrial cooperation at their 19th annual trade ministerial talks Friday [17 September].

Korean Trade, Industry and Energy Minister Kim Cholsu noted that Australia was Korea's third-largest exporter and he showed concern for the growing trade deficit with the Pacific country as annual import growth for the past five years was 16 percent, three times the export rise.

He asked for sincere efforts by Australian Trade Minister Peter Cook to improve the trade imbalance. Cook arrived in Seoul with a small business delegation on Thursday for a four-day stay.

Kim pointed out that Korean firms face difficulties in advancing into the British commonwealth country as state governments seek priority in selling their local goods in federal product purchase biddings.

He suggested tariff cuts on Korean exports of textiles, footwear and automobiles.

Cook promised to lower customs between 1 and 3 percent on Korean textile and 3 percent on footwear by early next year and cut average tariff rates by 5 percent by 2000.

Kim asked for scrutiny in anti-dumping attacks on Korean exporters as they were proved innocent in eight of the 15 anti-dumping suits against them in 1990-1992.

Cook pointed out that marketing period of Australian dairy goods should be extended as the traders were making losses because of the short validity time.

Kim answered that the problem was between experts in related government agencies as they were a matter of food safety and consumer protection and not a trade restriction issue.

The two trade ministers also discussed regional and multilateral issues, including APEC (Asia Pacific Economic Cooperation) and the Uruguay Round.

They will sign an industrial technology cooperation arrangement on Saturday.

Cook is scheduled to meet with President Kim Yongsam and Agriculture, Forestry, and Fisheries Minister Ho Sin-haeng.

#### Kim Yong-sam To Meet Minister

BK1709091893 Melbourne Radio Australia in English 0500 GMT 17 Sep 93

[Text] Australia's trade minister, Peter Cook, is scheduled to hold talks with South Korean president, Kim Yong-sam, in Seoul today. Mark Tamhane reports that the trade minister will be pursuing a number of international and bilateral trade issues during his stay in Seoul.

[Begin Tamhane recording] Senator Cook says he'll use the meeting with Mr. Kim to underline the importance of APEC, the Asia Pacific Economic Forum, in promoting growth and economic cooperation in the region. He'll also stress the importance of the successful conclusion in the current round of world trade talks and the role South Korea can play in contributing to an acceptable agriculture outcome. Senator Cook is also taking party in annual ministerial trade talks where he'll be considering a number of joint ventures with South Korea, possible in third markets like China. Australia will also be raising trade concerns about access for dairy, horticulture, and food products and pushing Seoul to import more Australian beef. The South Koreans are likely to push for more balance in two-way trade, which is heavily weighted in Canberra's favor. [end recording]

#### **Army Chief Receives Indonesian Counterpart**

SK1709061493 Seoul YONHAP in English 0148 GMT 17 Sep 93

[Text] Seoul, Sept. 17 (YONHAP)—Visiting Indonesian Army Chief of Staff Lt. Gen. Wismoyo Arismunandar met with Gen. Kim Tong- chin, Korean Army chief of staff, at his Army headquarters office in Kyeryongdae on Friday [16 September] morning and discussed exchange and bilateral cooperation in the military field.

Gen. Wismoyo arrived Thursday for a six-day visit during which he is to pay courtesy calls on Defense Minister Kwon Yong-hae and Gen. Yi Yang-ho, chairman of the joint chiefs of staff, and tour the Truce Village of Panmunjom and some military units.

#### North Abducts Fishing Boat for Allegedly Spying

SK1709014993 Seoul KBS-1 Radio Network in Korean 0100 GMT 17 Sep 93

[Text] A fishing boat with two seamen on board crossed the boundary line of the North side due to heavy fog and was abducted by a North Korean vessel.

At around 1330 [0430 GMT] on 16 September, one fishing boat loaded with marine products which was on its way to Taechong Island from Paengnyong Island of the West Sea, crossed the boundary line onto the North side for 1.8 miles because the compass was broken.

Our naval vessel was mobilized after learning about this and was in the process of towing it back when a North Korean speedboat appeared and blocked the sea route. Then, it took the fishing boat. Two seamen, 27-year-old captain of the boat Choe Yong-kil and 46- year-old Kim Tae-il were on board.

North Korea is claiming that this boat is a spy ship but the naval authorities say the boat is unarmed and that it is a fishing boat transporting marine products.

#### Ministry Says Crew Safe

SK1709032193 Seoul YONHAP in English 0250 GMT 17 Sep 93

[Text] Seoul, Sept. 17 (YONHAP)—A South Korean boat that strayed across the border on Thursday [16 September] is under custody in a North Korean port, but the crew were rescued and are safe in the South, the Defense Ministry announced on Friday.

The 1.52-ton Myongbok-ho was returning to Paengnyong Island after transporting stockfish to Taechong Island when its compass malfunctioned in dense fog and it lost its way, drifting about 3 kilometers into North Korean territorial waters, according to the announcement.

Three South Korean patrol vessels went to its assistance and took the 27-year-old skipper and a 46-year-old sailor aboard.

While they were towing the vessel southward, North Korean patrol boats appeared, the announcement said.

Before the tension built into armed conflict, the line to the boat parted and the North Korean vessels took it into tow, it said.

The South Korean patrol boats made no attempt to intervene, fearing a clash, and left the scene as the boat was being taken away, ministry officials said.

They denied North Korean claims that the vessel was a spy boat.

#### Seoul TV Report on North Missiles Development

SK1609145893 Seoul KBS-1 Television Network in Korean 1201 GMT 16 Sep 93

[Text] The performance of North Korea's missiles, which it began developing in 1985, has reached international levels. It has been a long time since the Nodong-1 missile, the range of which covers Japan and Taiwan as well as the Korean peninsula, entered its mass production phase and was exported to the Middle East. Reporter Kim Hui-kon reports:

[Begin Kim recording] North Korea began developing missiles in earnest when Iran started financing the project in 1985. Iran was at war with Iraq at the time and planned to build a missile plant in North Korea. North Korea agreed to supply Iran with Scud-B missiles. North Korea, however, succeeded in developing a 380 km missile, 100 km longer in range that the Scud-B missile.

North Korea supplied 100 380-km missiles to Iran until 1988. These missiles demonstrated their great might when Iran attacked Iraqi cities. While supplying missiles to Iran, North Korea started improving the Scud-B missile in two directions: One was to develop a Scud-C missile by slightly modifying the Scud-B missile, and the other was to develop a Scud-D missile by extensively improving the Scud-B missile.

North Korea succeeded in developing the Scud-C missile in 1989. Its range is 500 km, which covers all of South Korea excluding Cheju Island. North Korea exported 100 Scud-C missiles to Iran and 20 to Syria. Libya is expressing its intention to procure these missiles.

North Korea also succeeded in developing the Scud-D missile in 1991. Tokyo and Taiwan as well as all of South Korea are within the range of this 1,000 km to 1,300 km Scud-D missile. North Korea calls this the Nodong-I missile. Furthermore, North Korea has begun developing a Nodong-2 missile with a range of 1,500 to 2,000 km with a view to completing its development by 1995 at the latest. It is unlikely that North Korea will succeed in developing it by 1995 because it is experiencing great difficulty in its design. [end recording]

#### **Editorial on North's Missile Development**

SK1709081993 Seoul THE KOREA HERALD in English 17 Sep 93 p 6

[Editorial: "North Korea's menacing moves"]

[Text] The exhausting stand-off on the Korean peninsula continues unabated to the distress of all those working for the regional peace and stability in East Asia. The Cold War confrontation is over by and large and even the mortal enemies in the Middle East are coming to terms in a major dismantling of international conflicts in the present generation.

Nevertheless, things remain at a standstill in this part of the world. Or, rather, the stalemate created by the doubtful nuclear program of North Korea is likely to go from bad to worse as the North keeps fueling worldwide misgivings about its belligerent intent instead of backing down to comply with the rules of the game set by the international community.

An indictment of Pyongyang's militant ambitions brought on more allegations of fresh suspicion this week. According to a report submitted to the U.S. House of Representatives, North Korea may be developing a Scud-E missile called the Nodong-2 with a range of 1,500 to 2,000 km as a follow-up to its Scud-D (Nodong-1) missile.

The Nodong-1 model test-fired recently in the East Sea is threatening enough with its estimated range encompassing not only the entire Korean peninsula but Tokyo, Khabarovsk, Beijing, and Taipei. Besides the military pressure posed to neighbors, the development of advanced arms is certain to boost Pyongyang's role as proliferator of ballistic missiles and related technology, especially in the Middle East.

An informed source here said North Korea is building six bases for SA-2 surface-to-air missiles to protect its nuclear facilities in Yongbyon. Reinforcement of the air defense system in and around the nuclear complex in question is considered part of an effort to cover up its secret nuclear facilities by making access to the area

more risky, and also to counter possible sanctions by the U.N. Security Council against its violation of the Nuclear Nonproliferation Treaty [NPT].

The repetition of delaying tactics by North Korea to evade inspection under the safeguard agreement with the IAEA [International Atomic Energy Agency] would prompt international atomic energy regulators to refer the question to the Security Council. Both Seoul and Washington and their allies have been pushing North Korea for months in vain to open the suspected nuclear plants. Time is running out for North Korea to toe the nuclear line. Pyongyang also went back on its word to resume dialogue with South Korea on the issue, thus failing to set the groundwork for meaningful talks with the United States for an overall improvement of relations.

Untimely, ominous and provocative are the right words to apply to North Korean moves to develop advanced missiles and fortify its suspect nuclear plants while reneging on its NPT obligations and sabotaging constructive negotiations with the South and the United States.

We still keep hoping against hope that North Korea will come out in good faith to carry on substantive consultations with the IAEA on the outstanding inspection issues and start meaningful talks with Seoul to turn the tide for the better before it is too late. Some progress must come before the IAEA Board of Governors' meeting in Vienna later this month.

#### South Urges North To Hold Exchange of Envoys SK1709075493 Seoul YONHAP in English 0741 GMT 17 Sep 93

[Text] Seoul, Sept. 17 (YONHAP)—The South Korean Government marked the first anniversary of the effectuation of the supplementary agreement to the basic inter-Korean accords Friday [17 September], and called on North Korea to respond to its call for working-level contact for an exchange of special envoys.

The appeal was contained in a statement issued by Southern-side spokesman Song Yong-tae of the inter-Korean prime ministerial conference.

"Attaching conditions for holding dialogue itself is the same as saying it is not interested in talking," said Song, pointing out the unjustifiability of North Korea's demand.

Earlier, Pyongyang demanded that Seoul suspend what it called a "nuclear war exercise" and abandon efforts to coordinate international cooperation against North Korea in order to realize a working-level contact for exchanges of special envoys.

"We have already made it clear that we are prepared to negotiate flexibly on a possible suspension of military exercises, if North Korea shows a sincere attitude and discusses the nuclear problem and resolves it before everything else," said Song.

As for the question of South Korea's efforts to coordinate an international cooperation, Song said, "it is entirely justifiable for South Korea to try and clear up North Korea's nuclear suspicion on the international level in order to implement the inter-Korean declaration on a nuclear-free Korean peninsula."

South Korea hopes that it can negotiate with the North for reconciliation and cooperation and carry out specific agreements to be worked out by joint commissions in various fields as soon as possible, Song said.

#### Seoul 'Ready To Show Flexibility' With North

SK1709084693 Seoul YONHAP in English 0820 GMT 17 Sep 93

[Text] Pusan, Sept. 17 (YONHAP)—The South Korean Government is ready to show flexibility about the format of inter-Korean talks and make effort to get them resumed if it is convinced that the North Korean nuclear problem can be solved fundamentally, National Unification Minister Han Wan-sang said in a lecture to the Pusan World Affairs Council Friday.

About 200 people, including Pusan Mayor Chong Munhwa, attended Han's lecture on unification policy.

Han said that North Korea's development of nuclear weapons should be stopped "under any circumstances."

"The government will do its best to solve the North Korean nuclear problem on the basis of cooperation with international society, including the United States, in a way that neither create tension on the Korean peninsula nor give North Korea enough time to develop nuclear weapons," he said.

The nuclear problem is an urgent issue to be resolved prior to anything else, he said.

"The government is currently not approving visits to North Korea by businessmen, but as the situation changes we will expand inter- Korean economic cooperation step by step as well as approve businessmen's visits," he said.

#### Kim Yong-sam Ready To Make First Policy Speech

SK1709120693 Seoul YONHAP in English 1137 GMT 17 Sep 93

[Text] Seoul, Sept. 17 (YONHAP)—President Kim Yong-sam will make his first policy speech at the National Assembly next week if the ruling and opposition parties asked for the speech without any conditions.

A Chongwadae [presidential offices] official said on Friday [17 September] if the ruling and opposition parties agreed on the presidential policy speech without attaching any conditions, President Kim would consider making a speech on a day they agree on, though he cancelled the speech originally slated for Sept. 13 as the opposition party used it as a condition for its political negotiations.

It is a position of the Chongwadae that a presidential policy speech at a National Assembly plenary session cannot be a subject of political negotiations, he added.

Planning President Kim's first policy speech at the current regular parliamentary session, the government and its ruling party wanted to set a precedent for a president to make a policy speech at an annual budget session of the National Assembly, irrespective of any issues pending between the ruling and opposition parties, he said.

Meanwhile, majority and minority floor leaders were reported to have agreed on President Kim's policy speech at the National Assembly on or around Wednesday next week.

#### Government Announces Prosecutors Reshuffle SK1709103593 Seoul YONHAP in English 0908 GMT 17 Sep 93

[Text] Seoul, Sept. 17 (YONHAP)—The government announced Friday a large-scale personnel reshuffle in the prosecution involving thirty-five senior public prosecutors in the wake of voluntary resignations at some top posts.

In the reshuffle, effective on Tuesday (Sept. 21), Song Chong-ui, chief of the Seoul High Prosecutor's Office, was promoted to deputy prosecutor general: Chi Changkwon, chief of the Taegu District Prosecutor's Office, was promoted to director of the Judicial Research and Training Institute: and Kim Ki-su, chief of the Pusan District Prosecutor's Office, was promoted to chief of the Pusan High Prosecutor's Office.

The head of the trial-legal proceeding division in the Supreme Public Prosecutor's Office, Chong Kyong-sik, was promoted to chief of the Taegu High Prosecutor's Office and Hwang Sang-ku, chief of the Taejon District Prosecutor's Office to chief of the Kwangju High Prosecution.

Chief of the Kwangju High Prosecutor's Office, Kim Hyon-chol, became chief of the Seoul High Prosecutor's Office and chief of the Taegu High Prosecutor's Office, Choe Myong-pu, was moved to the Taejon High Prosecutor's Office.

The Director-General of the Prosecution Bureau in the Justice Ministry, Kim Chong-ku, was appointed chief of the Seoul District Prosecutor's Office and his shoes in the ministry are to be filled by Choe Yong-kwang, chief of the violent crimes division in the Supreme Public Prosecutor's Office.

Kim Taek-su, chief of the Changwon District Prosecutor's Office, was named director-general of the Correction Bureau in the Justice Ministry.

The Chief of the Central Investigation Division in the Supreme Public Prosecutor's Office, Kim Tae-chung, and the Chief of the Public Security Division in the same office, Choe Hwan, both retained their posts.

Choe Kyong-won, chief of the Northern Branch of the Seoul District Prosecutor's Office, was named assistant justice minister for planning and management, and Kim Su-chang, chief of the Uichongpu Branch of the Seoul District Prosecutor's Office, was appointed directorgeneral of the Social Protection and Rehabilitation Bureau of the Ministry.

Yu Chae-sung, chief of the Eastern Branch of the Pusan District Prosecutor's Office, was named chief of the Planning Division in the Judicial Research and Training Institute and Chon Yong-tae, deputy chief of the Suwon District Prosecutor's Office, was appointed commissioner of the Judicial Research and Training Institute. Sin Hyon-mu, chief of the Eastern Branch of the Seoul District Prosecutor's Office, was named chief of the General Affairs Division of the Supreme Public Prosecutor's Office.

#### Poll on Civil Servants' View on Asset Disclosure SK1609025993 Seoul YONHAP in English 0232 GMT 16 Sep 93

[Text] Seoul, Sept. 16 (YONHAP)—Most civil servants are in favor of financial disclosures by senior public officials and think it will contribute to establishing new ethics of public service, the Information Ministry newspaper said on Thursday.

The KUKCHUNG SINMUN, a government organ published by the Information Ministry, and Korea Research Co. conducted a telephone survey Sept. 13-14 of 700 civil servants and policemen of grade five and above.

Of them, 63.3 percent said disclosure is a "very right thing to do" and 31.1 percent a "considerably right thing."

Some 26.2 percent of the pollees thought officials suspected of dishonesty should "resign voluntarily" and 23.7 percent said that they should be "judicially punished" after a fair investigation.

Asked their reaction to the wealth of high officials, 46.4 percent said they felt "betrayal" while 5.9 percent said their declared wealth should be accepted as reasonable in view of their careers.

While 34.7 percent said disclosure will contribute "much" to purifying government, 54.9 percent said it will contribute "to a degree."

A minority of 21.4 percent said disclosure "damaged the honor of public servants" while 59.4 percent said it "increased the honor of public servants."

#### \* Blue House Tries To Sell Reform Package

932C0176A Seoul CHUGAN CHOSON in Korean 8 Jul 93 pp 10-12

[By Economics Deptartment reporter Na Chong-ho]

[Text] President Kim Yong-sam's economic policy advisor Pak Chae-yun, chief presidential economic secretary, met with the heads of 30 business groups [chaebol] on Friday, 27 June. Twenty-two powerful group heads: Sunkyong's CEO Choe Chong-hyon, Kolon's Yi Tong-chan, Taenong's Pak Yong-hak, Samyang Corporation's Kim Sang-ha, Daewoo's CEO Kim U-chung, etc., met at the over three hour combined meeting-dinner held at the Swiss Grand Hotel.

Hyundai CEO Chung Se-yong who had gone down to Ulsan to deal with the labor unrest, Samsung's Yi Kon-hui presently overseas, Lucky Goldstar's Ku Chagyong, Hanhwa's Kim Sung-yon, Lotte's Sin Kyok-ho, Daelim's Yi Chae-jun, Tongguk Steel's CEO Chang Sang-tae, and ailing Halla CEO Chong In-yong did not participate. Secretary Pak made the invitations directly by phone; those overseas were excluded from the list [of people to be invited] to begin with.

This was the first official meeting between group heads and a presidential economic advisor. Although there have been opportunities for President Kim Yong-sam to contact several group heads on his schedule, such as to encourage participation in the Korean-American Finance Conference, there has been almost no chance for senior government officials and group heads to hold frank discussions since the birth of the new administration. This is the extent to which the government and conglomerates [chaebol] have grown apart; and it is a fact that there has even been friction between them in some areas.

Thus, the group heads probably tried, through Secretary Pak's words, to learn even a little more of the president's inner thoughts. We can see this from the fact that a mere 22 group heads participated, even though Secretary Pak called them and invited them personally.

Although this meeting is drawing a great deal of interest in that it is a re-establishment of the future relationship between the government and the conglomerates, Secreary Pak had other reasons for calling it.

He wanted to explain the New Economy Five-Year Economic Plan to the main economic enterprises that will have to play the most important roles for the success of the New Economy, and to request the cooperation of financial circles to restore economic vitality.

Secretary Pak has already revealed this himself, but, beginning a few days ago, he has been diligent in meeting

the economic reporters of daily newspapers and broadcasting companies and "lecturing" to them on the "New Economy." Thus he aggressively began public relations activities.

Secretary Pak left a Seoul National University professorship of 26 years to enter presidential candidate Kim Yong-sam's camp and is the main person responsible for drafting the New Economy plan. However, it appears that the lack statistical change needed to demonstrate the results of his Hundred-Day Plan, which began noisily with the adoption of a platform of seven tasks, such as the revitalization of the economy, etc., has made him anxious.

Secretary Pak is not the only one involved in New Economy publicity. Deputy Prime Minister and Economic Planning Board [EPB] Minister Yi Kyong-sik, Finance Minister Hong Chae-hyong, and even Trade and Industry Minister Kim Chol-su are playing the same role: dividing their schedules to meet with Korean opinion leaders, such as college professors and media executives.

The sudden fervency in public relations activity comes as the Hundred-Day Plan is drawing to an end and final draft for the Five-Year Plan is being completed.

The kickoff date for the Five-Year Plan is 2 July. This day cannot help but be extremely important to President Kim Yong-sam, and furthermore, to those responsible for Korea's economic policy. It is the one hundredth day since the Kim Yong-sam administration, born facing economic circumstances said to be as stagnant as they can get, implemented its new economic "doctrine" called the New Economy and it is the day that it showed its economic blue print for the administration's five-year term.

The Five-Year Plan had the Hundred-Day Plan as a preliminary. If a plan with the reform of each economic area as its main content is going to succeed, it needs the appropriate soil [in which to grow]: a sound economic structure. This is the so-called "Hundred-Day Plan," which began on 22 March.

Thus, the Hundred-Day Plan is like compost for making the Five-Year Plan bloom. At least, this is what the framers of the New Economy thought. They intended to first revitalize the economy so that it could withstand the painful hardship of reform.

The main contents of the Hundred-Day Plan can be summarized as follows:

- revitalization of the economy, such as lowering interest rates;
- support for structural improvement of middle and small sized businesses; and
- guaranteeing the autonomy of business activities through the relaxation of administrative regulations.

Basically, it is in accordance with the fundamental spirit of the New Economy: reduce government interference and maximize business autonomy.

An important part of the Hundred-Day Plan related to the everyday life of citizens was the so-called "Pain Sharing":

· price stability of daily necessities; and

the repayment of government employee raises.

Before embarking on the Hundred-Day Plan, in a special statement given on 19 March President Kim asked workers to hold back their demands for a pay raise for just one year. Also, the stabilization of daily necessity prices, which brought on denunciation suggesting that this is yet more government interference, was put first because it was judged that stable prices are absolutely necessary for stable wages.

In accordance with this, the government fixed rice, beef, eggs, ramyon, sugar, milk, tennis shoes, charcoal briquettes, etc., over 20 daily necessities as the objects of special management and is exercising administrative guidance concerning them.

Is this a result of the administrative guidance that could not help but mobilized revenue and district offices? At least these prices set up a true record by dropping 0.1% between the time management began in the end of May and the present.

However, no one hopes that the economy will be able to recover its vitality merely through stability in the prices of items the government can easily control. Critics of the New Economy sharply denounce it saying that it is contradictory to pump up the economy by releasing moneys while trying to stabilize prices.

The core of the New Economy's Hundred-Day Plan was none other than the restoration of business' investment mind [as published]. An increase in investment by big business is, to put it another way, counter evidence that the economy will improve in the future. Unfortunately, this phenomenon did not appear in the numbers up to the time when the Hundred-Day Plan was drawing to a close.

Let us look at the figures published by the Statistics Administration on April's trends in industrial activity, which were expected to start showing the effect of the Hundred-Day Plan begun in March. The trends in industrial activity announced by the Statistics Administration have a high degree of statistical credibility because the study is carried out on over 8,700 domestic businesses. Although production in the heavy chemical industry, such as the automobile, petrochemical, and computer industries, increased by 3.1 percent over the same period of the previous year, a slump (4.2 percent drop) in light industry, with its weakened competitiveness in exporting, restricted overall growth to 0.1 percent, according to the figures.

The fact that increases in the rate of production are low in spite of the fact that inventory increase rates almost bottomed out at 0 percent in April means that businesses are not upping production because the prospects for economic recovery are dim.

Manufacturing industry operating rates could not help but shrink. In particular, the fact that operating rates in even the air conditioning, beer, and soft drink industries have been reduced just before their peak season shows that the recession is continuing.

Domestic machinery orders, a leading indicator predicting how much equipment investment is going to increase in the future, have recovered with last year's rate showing an increase of 11.1 percent. This too was probably only due to the influence of the early execution of public investment projects following the implementation of the Hundred-Day Plan, rather than to expectations about the future.

By its textbook definition, business activity is the pursuit of profit. Businesses will invest where profit is to be had, even if it is minuscule. What could be the reason for the lack of equipment investment in spite of this?

It is here that the words of one executive of the K Group [as published], which ranks high among the 30 largest conglomerates, are significant:

"Even if there's money, there's no place to invest it. The large-scale investments as well, such as petrochemical, cement, etc., in which businesses were expanding, have already ended. They now need to find new projects, but there are no items worth investing in. For the short term, the Seoul-Pusan High-speed Rail and the Second Mobile Communications Industry are all that is left. However, the government has the wrong idea that investment will be brought to life with just a change in the prevailing mood."

An executive of another group said this: "Our whole society is in the audit [Sajong] mood. The 'corpses' appearing in the newspapers everyday are increasing. The interest of the Korean people is concentrated on this. On the other hand, it appears that the perception that the conglomerates are unconditionally bad has, in secret, spread throughout the ruling group. The president's not taking political funds is good for healthy 'usiness activity. However, this must not be accepted as a prelude to 'chaebol hunting."

Talk about the audit came out in Secretary Pak's meeting with the chaebol heads. "Concerning an audit of businesses, there is none going on now nor will there be in the future. The president too knows full well that if business activity shrinks, the economy won't be able to recover," said Secretary Pak according to one participant. However, Pak's representative's said that no direct mention was made of the audit issue. This is probably true since an economic secretary is not in the position to be commenting on the audit.

What could be the reason that even Secretary Pak, self-appointed messenger of the cabinet and the president who, if possible, does not stand out in the foreground, would meet with figures from each field and carry out public relations activities? It is because he is well aware of the fact the Hundred-Day Plan, which was intended to invigorate the economy, has produced no visible effects and because, as a result, he cannot help but cooperate with figures from each field to get the economy going.

We used the above figures published by the Statistics Administration as an example; the New Economy's Hundred-Day Plan is generally not receiving generous grades. There are different positions on the economic diagnosis. "They're stepping on the accelerator when they should be stepping on the brake and the other way around," according to the diagnosis of the present economic team. However, scholars critical of the New Economy insist that this is an unavoidable recession due to an economic cycle.

It is not our job to judge which view is correct, but it has become clear that the Hundred-Day Plan was a more-or-less ambitious one. They believed that if they lowered interest rates, investment would come alive, and that all would actively participate in sharing the pain, but most of their expectations went wrong as they interlocked with the prevailing political and social mood.

"When we look at leading indicators capable of predicting future economic conditions, such as the number of equipment orders received, the acreage of licensed construction, etc., we can see that the economy will revive during the latter half of this year," carefully report government authorities. Also, exports have increase to a great extent due to the high yen and to specific favorable conditions in China. However, they cannot confidently say that the economy has revived. They merely emphasize the fact that the New Economy has created a mood of trying to revitalize the economy.

An economy is not something that is created in a day. This is because the actions of a specified time can actually take up to two or three years to show results. Judgment on the Hundred-Day Plan is the same. Economic revitalization, the original objective of this plan, has not yet been achieved. On the other hand, it should be acknowledged that through the words, New Economy, this plan has created a new economizing mood.

## Three Firms Among Top Computer Chip Producers

SK1609030193 Seoul YONHAP in English 0203 GMT 16 Sep 93

[Text] Seoul, Sept. 16 (YONHAP)—South Korea's three major computer memory chip manufacturers all made it to the ranks of the world's top 10 in production, according to a U.S. semiconductor survey institute Thursday.

Samsung Electronics Co. recorded No. 1 in sales last year by selling 1,192 million U.S. dollars worth and accounting for 13.5 percent of the world market, dataquest said.

Goldstar Electron Co. was eighth with sales of 513 million dollars and market share of 5.8 percent, trailed by Hyundai Electronics Co., ninth with 448 million dollars and 5.1 percent, according to the San Jose, California, Company.

Except for Texas Instruments Inc. at fifth with sales of 667 million dollars, the crowns of second to seventh places were all worn by Japanese companies.

Toshiba was No. 2 with 1,123 million dollars, followed by NEC (Nippon Electric Co.) with 894 million dollars, Hitachi with 824 million dollars, Texas Instruments, Mitsubishi with 628 million dollars, and Fujitsu with 547 million dollars.

Samsung, which lagged behind Toshiba's 957 million dollars with sales of 886 million dollars in 1991, beat the Japanese company last year with 35-percent sales growth, compared with Toshiba's 17 percent.

Goldstar and Hyundai each moved four places upward with eye-opening growth of 125 percent and 141 percent from 228 million dollars and 186 million dollars, respectively, in 1991.

Sales growth of the Japanese companies remained at around 20 percent.

Industry sources predicted sales surges of more than 40 percent this year, firming Samsung's first place and pushing Goldstar and Hyundai upward into the ranks of the top five.

### Burma

#### Rangoon Welcomes Israeli-PLO Peace Initiative

BK1609060793 Rangoon Radio Burma in Burmese 1330 GMT 15 Sep 93

[Statement Issued by the Ministry of Foreign Affairs in Rangoon on 15 September 1993]

[Burma] received with great interest and enthusiasm on 13 September the news of the successful conclusion of an agreement between the government of the State of Israel and the Palestine Liberation Organization [PLO]. The agreement for self rule in the Gaza Strip and Jericho through mutual recognition culminates the official end of three decades of hostilities.

It is evident that the peoples of Israel and the PLO have displayed great courage and mutual accommodation in reaching an accord which will facilitate the chance of a lasting peace in the Middle East. In reckoning the joint initiative and shared undertaking established by both parties, the Government of the Union of Myanmar reaffirms its support on the principle of the fundamental rights of the Palestinian people and the right of Israel to exist as an independent state.

#### **SLORC Forms Union Solidarity Association**

BK1609134993 Rangoon Radio Burma in Burmese 1330 GMT 15 Sep 93

[Text] The Union Solidarity and Development Association [USDA] has been formed and registered as a social organization with the Ministry of Home Affairs with effect from today, 15 September 1993.

The aims of the USDA are:

- 1. nondisintegration of the union;
- 2. nondisintegration of national unity;
- 3. perpetuation of national sovereignty;
- 4. commission and vitalization of national pride;
- 5. emergence of a prosperous, peaceful, and modern union.

The four oaths to be pledged by each member of the association are:

- 1. I shall be loyal to the Union of Myanmar [Burma] and her citizens:
- 2. I shall endeavor for our three main national causes namely the nondisintegration of the union, the nondisintegration of national solidarity, and perpetuation of national sovereignty;
- 3. I will constantly strive for the emergence of a prosperous, peaceful, and modern union;
- 4. I will abide by the codes of conduct of the association.

The 11 codes of conduct of the members of the association are as follows:

A member of the association shall

- 1. be loyal to the Union and her citizens;
- 2. defend and protect the sovereignty and perpetuity of the union:
- 3. earnestly strive for the affection and unity of the national races;
- 4. be loyal to the association;
- 5. dutifully perform a task as defined by the association;
- 6. render true assistance to other members in the spirit of comradeship;
- 7. always maintain good behavior and conduct;
- 8. uphold the honor and integrity of the association;
- 9. respect the rule of law and order and peace and tranquility;
- 10. vitalize the true sense of patriotism with a view to promoting national pride;
- 11. preserve and protect national culture.

The duties and responsibilities of the association are as follows:

- 1. To defend the independence and sovereignty of the union:
- 2. To strive for the affection and unity of the national races;
- 3. To vitalize the true sense of patriotism with a view to promoting national pride;
- 4. To work for the emergence of a prosperous, peaceful, and modern union;
- 5. To preserve and protect national culture;
- To assist in achieving rule of law and order and peace and tranquility;
- 7. To protect state and other properties;
- 8. To assist in drug enforcement activities;
- 9. To assist in developing the five strengths of youth;
- 10. To assist in the cleanliness, beautification, and upkeep of public utilities such as roads, bridges, schools, hospitals, markets, parks, and gardens;
- 11. To take active part in preventive and relief work in case of disasters such as fire, flood, storm, earthquake, and epidemics:
- 12. To assist in social development schemes for peasants and workers;
- 13. To render the defense services all-around assistance:
- 14. To actively render assistance in relation to the social affairs of other members.

Membership to the Union Solidarity and Development Association is open to all Myanmar [Burmese] citizens regardless of gender or religion. Those who are between age 10 and 18 years are to enroll as junior members and those above 18 years of age are to enroll as senior members. Application forms can be obtained from the wards and village residence tracts. Junior members do not have to pay membership and monthly fees, but senior members are to pay a monthly fee of 5 kyats and they can apply according to their own free will. Public service personnel are also allowed to become members of the USDA.

The association will be formed according to village tracts and wards in townships throughout the Union of Myanmar [Burma]. The systematic formation of village tract and ward associations will be undertaken by the executive committee members of respective township associations. The association will be systematically formed at the village tract and ward, township, district, and division levels. To lead all the UDSAs countrywide, there will be a group of patrons, secretary general, joint secretary general, secretariat, and the central executive committee at the central level.

The secretary general of the USDA is U Than Aung, minister of cooperatives. The secretariat comprises U Khin Maung Thein, minister of energy; U Wir Sein, minister of rail transportation; and U Ko Lay, mayor of Yangon [Rangoon]. The central executive committee members are U Soe Tha, minister of communications, post, and telegraphs; U Than Shwe, minister of industry-2; U Thein Sein, deputy minister of information; and U Pan Aung, secretary of the Yangon City Development Committee.

The headquarters of the USDA is temporarily located at the Yangon City Hall.

The association will begin accepting as members those who are patriotic and accept the aims of the association, live up to its code of conduct, and are ready to undertake the duties and responsibilities. Extensive organizations will be carried out continuously nationwide.

The emblem of the USDA is a red shield surrounded by two gold olive branches adorning a green rectangle with length 2.5 inches and width 3.25 inches. A mythical lion is set in Myanmar traditional design on the shield. There is a white star at the top middle of the shield. The association's motto—moral, discipline, solidarity, unity—is written in white on a green background under the shield.

The association's flag is 10 feet in length and 6 feet in width in green color with a red rectangle at the left top of length 4 feet and width 3 feet. The middle of the red rectangle features a five-pointed white star of height 1 foot and 4 inches.

The color green signifies peace. The color red signifies bravery. The white star signifies the union and unity, emitting light on its own, the significance of stars in traversing on a straight course of its own.

The association's motto is-moral, discipline, solidarity, unity.

The executive committee at various levels of the USDA will be carried out in a centralized manner in the first five years.

Those desirous of membership may submit their applications in the forms duly prescribed either to the executive committee of the ward or village tract of permanent residence.

The township association executive committee will promptly process the applications endorsed and submitted by ward or village tract association executive

committee and contact applicants through their respective ward or village tract associations concerned.

#### Official Level Joint Thai Talks Continue

BK1609154893 Rangoon Radio Burma in Burmese 1300 GMT 16 Sep 93

[Text] The officer-level preparatory meeting for the Myanmar [Burmese]-Thai Joint Commission continued for the third day at the Foreign Ministry Annex in Yangon [Rangoon] today.

At the meeting, cordial and friendly talks on bilateral affairs were held between Myanmar led by U Tin Tun, director general of the Political Affairs Division, and Thailand led by Mr. Sarot Chawanawirat, deputy permanent secretary.

#### Opposition: Junta Attempting To Split Rebels

BK1609061393 Hong Kong AFP in English 1138 GMT 15 Sep 93

[Text] Bangkok, Sept 15 (AFP)—The head of Burma's main armed opposition movement says efforts by the ruling junta in Rangoon to deal separately with the welter of rebel groups will never bring true peace and stability to the country.

General Bo Mya, head of the Democratic Alliance of Burma (DAB), said in a letter dated August 17 and sent to news media in Bangkok on Wednesday that the junta's tactic would only further damage the Southeast Asian nation.

The letter was addressed to General Than Shwe, chairman of Burma's Sate Law and Order Restoration Council (SLORC), the official name of the ruling junta.

"At present, the SLORC is attempting to address the problems of peace and unity in the country by shouting the slogan that, 'there is no need to lay down arms but just to forsake the way of arms," Bo Mya wrote.

"It is negotiating with some of the armed nationality groups individually and entering into cease-fire agreements with them," the guerrilla leader wrote. "It allows some of the leaders of the groups it reached such agreements with to attend its national convention" in Rangoon that is drafting a new constitution for Burma.

"However, these steps will never lead to genuine peace and stable unity. I would like to point out that these measures will further aggravate the deteriorating internal situation and endanger the neighboring countries in consequence," he said without elaborating.

Numerous Burmese ethnic minority groups have been fighting Rangoon for greater autonomy ever since the country gained independence from Britain in 1948.

The DAB is an umbrella organisation for most of those groups.

## Brunei, Malaysia & Singapore

#### Malaysia

#### **Armed Forces Outlines Six-Point Vision**

BK1609070893 Kuala Lumpur Radio Malaysia Network in English 0600 GMT 16 Sep 93

[Text] The armed forces, which is sixty years old today, has drawn up a six-point vision to complement its role in protecting the country's interests and defending it from all forms of threat as the nation marches toward Vision 2020. Chief of Defense Forces General Tan Sri Abdui Rahman Abdul Hamid said the six-point vision, among other things, was aimed at transforming the armed forces into a strong outfit that was capable of meeting challenges in any situation. He was speaking at a parade in conjunction with the 60th Armed Forces Day at the Sungai Besi Air Force Station in Kuala Lumpur today.

The vision also calls for the armed forces to acquire a new weaponry to ensure its (?capability), raise the standards of living of personnel at levels, meet the existing schedule for equipment as well as prolong its life span, and provide a second career for retiring personnel. An interesting side of the vision is the armed forces' commitment to help other countries restore peace by joining peacekeeping missions under the United Nations banner and to use these opportunities to test its troops and boost cameraderie.

## Singapore

Daily on Human Rights Issue, U.S. Policy in Asia BK1509154793 Singapore THE STRAITS TIMES in English 11 Sep 93 p 34

[Editorial: "Arms and The American"]

[Text] It would be unfortunate for the entire Southeast Asian region if the controversy over human rights in East Timor were to lead to an estrangement between Indonesia and the United States. The Clinton Administration might yet avert that danger by taking steps to ensure that the foreign aid Bill does not become law in the form in which it emerged on Wednesday from the Senate Foreign Relations Committee. Normally, this might have seemed like an unrealistic expectation from a President who went to the White House breathing fire and brimstone against human rights offenders. But the responsibilities of office usually temper idealism, and it might not be too far-fetched to conclude from the recent drift of events that the administration is making some effort to distance itself from the Democratic Party's more rash campaign pledges. It seems likely, for instance, that Mr. Clinton imposed limited sanctions against China over the M-11 missile shipments to Pakistan at least partly to pre-empt the Senate Foreign Relations Committee whose chairman, Senator Claiborne Pell, and ranking Republican member, Senator Jesse Helms, were

demanding far more drastic action. Since then, Assistant Secretary Winston Lord has toned down US rhetoric on human rights in both China and Vietnam.

Clearly, US policy in Asia is subject to domestic political compulsions, principally because the President does not appear to have any clear perception of long-term interests in the region. But this particular cloud is not altogether without a silver lining: a Washington that wants to keep its foreign policy options open will also be prepared to compromise. To stress the need for that in the present instance is not necessarily to condone Indonesia's 1976 annexation of the former Portuguese colony of East Timor, which the United Nations has so far refused to recognise. It bears noting in this context that the Senate Foreign Relations Committee has stopped short of actually denouncing the annexation or demanding that the Timorese rebels should be granted independence. All the same, Senator Russell Feingold's amendment discusses details of the administration in East Timor, and attempts to lay down conditions, in terms that might suggest that the National Council of Maubere Resistance, the umbrella group of rebel organisations, was the main source of information, and that Jakarta's point of view was not taken sufficiently into consideration.

It goes without saying that no government in the world could ever submit to this degree of dictation by a foreign power. As current chairman of the Non-Aligned Movement, Indonesia might feel a special responsibility for putting the US in its place. Foreign Minister Ali Alatas' outraged rejection of demands that have not yet been made is, therefore, understandable. He might also be tempted to see a connection with recent US action in cutting back on military assistance, blocking Jakarta's purchase of American-built jets from third countries, and threatening to withdraw trade privileges. Mr. Alatas has rightly reminded Washington that it is not the only source of military equipment. In any case, while Indonesian defence spending is declining, purchases have recently been distributed over a wider network.

Nevertheless, a souring of ties would not be in the interest of either country. Arms apart, the Indonesians are interested in continuing US participation in their economic effort. Nor can the Americans be indifferent to the scope for trade and investment that Indonesia presents. A framework of co-operation based on mutual self-interest offers constructive scope for discreet diplomacy. The Clinton Administration's legitimate concerns about Indonesia would be better served if it took advantage of this opportunity instead of yielding to the pressure of senators who seem to ignore the wider dimension of US policy in Asia.

#### Cambodia

#### Sihanouk To Sign Constitution 24 Sep

BK1709091093 Phnom Penh National Voice of -Cambodia Radio Network in Cambodian 0830 GMT 17 Sep 93

[Message from Prince Norodom Sihanouk to the Constituent Assembly's second session read by Prince Kromluong Norodom Ranariddh in French, followed by translation in Cambodian; date not given—recorded]

[Text] To respect the wish of my beloved and venerated people, to respect the wish of the Cambodian people and their elected deputies, I, Norodom Sihanouk, will return to Phnom Penh on 23 September 1993 [applaud] to promulgate our historic national constitution on 24 September 1993.

After this historic promulgation on the sacred and venerated soil of Cambodia, I will request the permission of our beloved nation to return by the same special plane of the DPRK to Beijing where I will undergo an indispensable surgical operation to remove a tumor discovered in my large intestine near the anus.

#### Parties Debate Rights, Copremiers

BK1609131093 Hong Kong AFP in English 1213 GMT 16 Sep 93

[by Sheri Prasso]

[Text] PHNOM PENH, Sept 16 (AFP)—Debate over Cambodia's new constitution turned into a "hot discussion" of human rights and citizenship issues Thursday, as the two main parties disagreed over terms of maintaining two copremiers.

Prince Norodom Sihanouk, due to retake the newly re-established throne, had suggested that Prince Norodom Ranariddh and Hun Sen maintain their posts as coprime ministers, but with his son as "first prime minister" and the former communist leader Hun Sen as "second prime minister."

Hun Sen's Cambodian People's Party (CPP) objected during a meeting with Prince Ranariddh's royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] party late Wednesday. "We are still debating about his royal highness' proposal," CPP president Chea Sim said. Hun Sen said it a question of just resolving how the novel arrangement will affect procedures and the functioning of government. "The creation of the government is not so urgent as the question of the constitution right now," he said. "But I don't think there is any big problem."

Prince Ranariddh, however, issued an ultimatum. "I assured the CPP that practically speaking, nothing will change," Prince Ranariddh said. "If they do not accept this formula proposed by my father, I will formally ask to

have one prime minister and one deputy prime minister, and it will be much, much more complicated." The FUNCINPEC party won the U.N.-run elections in May, but did not get a majority and was forced into a coalition with the CPP.

The assembly, after two days of debate, only finished through Chapter 3, which accords rights to "Khmer citizens." The draft has 14 chapters. Prince Ranariddh said it might take another three to four days to conclude.

The assembly agreed to set up a parliamentary commission on human rights, as well as add a sentence to the constitution stating that "Khmer citizenship" will be defined by future laws. The delegates agreed that "Khmer citizen" includes some of Cambodia's ethnic minorities such as hilltribes, called "Khmer-Leu," and the Moslem Chams, called "Khmer-Islams." Cham delegate Ahmed Yahya, who said he was satisfied with the definition, said "It doesn't include Vietnamese. Vietnamese are foreigners."

Cambodia has untold thousands of ethnic Vietnamese, many of whom have lived in this country for generations. They are primarily skilled workers and fishermen who have been systematically persecuted in Khmer Rouge massacres throughout Cambodia. They are largely hated in this xenophoic society that feels the pressure of centuries of invasions from its over-populated neighbor of 70 million people. Cambodia just has nine million people and vast stretches of arable land.

The decision to define citizenship in law postpones one of Cambodia's most contentious political issues, which the United Nations is attempting to help resolve. "It's still early days, but to their credit, they seem to be getting away from race as a determining factor in citizenship and moving towards more legal criteria such as birth-place and naturalization," said one U.N. official helping to draft legislation.

Debate also bogged down over whether the definition of the right to public property should include the words "legal ownership" or "private ownership," with the former being finally agreed. "This was some hot discussion," said leng Muli, a representative of the conservative Buddhist Liberal Democratic Party. "We are trying to get a concensus on everything so at the end we can be sure of the adoption."

A lighter moment in the debate came when one legislator asked why no rights were specified for homosexuals. The debate moderator responded that gays have rights under the legal definition covered by "both sexes." The delegates burst into laughter.

The free and relatively open manner of discussion apparently caused members to forget rules of order and jump out of their chairs to speak out of turn. Previously, Cambodia's assembly meetings were pre-determined, communist-style affairs with all members unanimously raising their hands in conformity with the party.

"Don't be confused that we might have any obstruction or ideas against human rights at all," copremier Hun Sen said during a coffee break. "It's not related to the question of human rights, it just relates to the procedures." Hun Sen said a number of decisions were being made in the back room among the leaders of the parties. "In every talk, there must be something (going on) under the table," he said. "Under the table is very important.

#### Hun Sen on Copremiership

BK1709112593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0840 GMT 17 Sep 93

[Text] As the session of the Constituent Assembly adjourned for its [17 September] mid-day recess and after His Excellency [H.E.] Hun Sen and other MP's were leaving the conference hall several reporters surrounded him and posed a number of questions. Asked about the formula of having two heads of government, H.E. Hun Sen answered:

[Begin recording] [Hun Sen] This formula was supported and will be included in this constitution. Generally speaking, this is the best and most suitable formula for our country in the future. The CPP [Cambodian People Party], the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, and the two other parties have all agreed to it. For this reason, I hope that there will be no obstruction to either the ratificaction of this constitution or the formation of the new government. So, there are no more problems. Any other questions?

However, in my opinion, if you do not mind, I would like to put this issue to rest through a public announcement by saying that all of us have been unanimous on that point.

[Unidentified correspondent] What other steps are you going to take?

[Hun Sen] What we will do is to completely implement this constitution. After this, what will happen is that the Constituent Assembly will become the National Assembly, and we will need to elect a new chairman and vice chairmen and the various commissions of the National Assembly. After that, if we proceed by the provision of this constitution, there will be the selection of the king, with the participation of the chairman and vice chairmen of the National Assembly and the two supreme patriarchs. It is not clear yet whether the copremiers of this provisional government will also attend. That issue will be taken care of in the future. We must have the king first. Once we have the king, the king will appoint a dignitary to form the government. So, that is the way it will be.

[Unidentified correspondent] Will there be any changes in the configuration of the government?

[Hun Sen] Let me tell you that, if anything at all, it will just be another way of calling it. It has been clearly

indicated in the message of His Highness Sihanouk and also by Prince Kromluong Ranariddh that there will be no changes in the configuration already used in the system of cochairmanship of the government. Allow me to stress that currently, even though we are cochairmen of the Council of Ministers, I have already handed over the premiership to the prince Kromluong. You should have noticed that in protocols or in other ceremonial occasions, at least, I have always paid my respect to Prince Kromluong's seniority. He is a few years my senior. So, in protocols and etiquette, Prince Kromluong is to be considered first. Now, although in effect there are the first chairman and second chairman of the Council of Ministers, the configuration remains unchanged, the privileges, the powers, and the work distributions remain unchanged.

This formula, therefore, is the most suitable. What is important it is to keep all affairs running and to maintain the stability of our situation, to avoid splits. That is important.

Some people have said that the formula in our country is strange. However, let me ask you this: Do you want something that is strange but that gives you peace, or something that is normal, but deprives you of peace?

The formula of His Highness can be strange to the rest of the world. It is fortunate for us Cambodians to have His Highness above us to help smooth things out for us. Without that, I doubt if even today we could have attended this Assembly's session. Fortunately, we have Prince Sihanouk with us, and he has given us this cochairmen formula for national reconciliation. In the past few months, the situation in our country, as you all know, has been excellent. We are enjoying this situation in parliament, and we are making good progress. So, a formula in which there are two chairmen or one first chairman and one second chairman may be considered strange. However, I would like to ask you which one would you prefer: to be strange but peaceful or to be normal but suffer conflict?

We may be strange, but we are experiencing a good situation. Some may say that such a strange government can be found nowhere else in the world. However, it is because we are strange that Cambiodia has not become another Afghanistan, another Angola, another Yugo-slavia, or another Somalia where fighting is raging. Cambodia may be strange, but Cambodia is happy and peaceful.

[Unidentified correspondent] We have heard of some under-the-table problems.

[Hun Sen] Let me tell you that the under-the-table problems concern this formula itself. We did not discuss things out loud. We, H.E. Chea Sim from the CPP, Prince Kromluong, and I, held secret consultations. It was under the table before, but today everything is on the table: Nothing is under the table anymore.

[Unidentified correspondent] Do you have any formula to resolve the problem with the Khmer Rouge?

[Hun Sen] I would like to tell you that Prince Kromluong has already made his opinion on that known, and I myself have already talked about it many times.

We have a great desire to resolve our problem with the Khmer Rouge through talks and compromises rather than through wars. However, the problem is that now there are no more factions. We have eliminated factions since the day His Royal Highness Prince Norodom Sihanouk applied his signature appointing the Provisional National Government following the establishment of Constituent Assembly. The problem now is between the legitimate government on the one side and a faction that refuses to join it on the other. We have kept the door of the government open to the party of Democratic Kampuchea [PDK] or the Khmer Rouge. However, this participation should never be made with any preconditions set by the Khmer Rouge.

Let me tell you first about the position of the government. First, the government would permit the PDK or the Khmer Rouge to join it if the PDK army is integrated into the national armed forces as the three other former factions did. Second, the government would permit certain personalities from the PDK to become government advisers. We can only do that much. Now, I have heard that the PDK have asked for a 15-percent share in the government, this much share in the armed forces, or that much share in the civil administration. In my opinion, this is not feasible. We are no longer at the stage of the Paris conference signing. We have already proceeded with the general elections and have coalesced political parties and factions into one government. There is no formula that would permit the sharing of the government or the armed forces by such and such percent. How dare the Khmer Rouge demand a 15percent share in the government? They are not going to get even a 0.1-percent share. Why? I do not believe that the 120 MP's would vote for a party that refused to join the elections. That is my opinion. I myself would not vote for them, and it is my right as an MP elected by the people. I believe that the MP's from other parties would not do that, either. If we voted for the Khmer Rouge, why then would we not vote the other 16 unrepresented parties into the government? These parties have supported the results of the elections; they are much better than the Khmer Rouge, who did nothing but sabotage the elections.

So, in my opinion, any Khmer Rouge demand for a share in the government is unreasonable, illogical, and unlawful. It is more than sufficient that we allow some political personalities from the PDK to become government advisers. Presently, what do the Khmer Rouge get? They are allowed to integrate their army into the national armed forces and also to become government advisers. However, I would like to tell you that as government advisers they do not have any veto rights. Even government members do not have veto rights.

Now, what do we want from the Khmer Rouge? I have already said what the government should give the Khmer Rouge. Now, let us see what the Khmer Rouge should give back. It is not difficult for them to comply with. First, they must respect the cease-fire and stop attacking the government. If they want to join, why do they see the need for land-grabs? Second, they must hand over the command of their army to the government. Third, they must hand over the control of their zones to the government. That is all that needs to be done.

Presently, the Khmer Rouge continues to attack us while calling for power sharing. I do not see that kind of attitude is logical. If they want to reconcile, they must create mutual trust as of now. In my opinion, the former State of Cambodia faction, the former FUNCINPEC faction, and the former Khmer People's National Liberation Front faction have experienced no difficulties in integrating at all. For example, I and Prince Kromluong as the cocommanders-in-chief of the armed forces have no problems at all, because our generals are jointly administering the armed forces. If the Khmer Rouge also does that, I do not foresee any difficulties.

The only problem is to know whether the Khmer Rouge really wants and really means to join the rest of the nation. That is all I have to say. Thank you. [end recording]

### Sihanouk Asked To Support Formula

BK1509081993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 14 Sep 93

[Text] His Excellency Chea Sim, chairman of the Cambodian People's Party [CPP] and first vice chairman of the Constituent Assembly, sent a message to His Royal Highness Prince Norodom Sihanouk, head of state and father of the nation, on 14 September.

The message reads: To Your Royal Highness Prince Norodom Sihanouk, head of state, father of the nation, father of national reconciliation, and father of Cambodian liberal democracy:

I am honored to humbly inform Your Highness that lately some newspapers and propaganda media have made numerous comments concerning a rift within the Cambodian People's Party. In fact, those remarks are exaggerated.

Concerning the formula on the formation of a government in the near future, I would like to inform Your Highness that the CPP, especially their excellencies the ladies and gentlemen MP's of the Constituent Assembly, have unanimously concurred that they wish to maintain the cochairmanship system with His Royal Highness Prince Kromluong Norodom Ranariddh and His Excellency Hun Sen closely cooperating to lead the Provisional National Government of Cambodia toward effective political stability.

Your Highness, please accept this report as information and please favorably support the formula.

May Your Highness Prince Father and the princess consort enjoy the five blessings of Lord Buddha, that is, longevity, social prestige, happiness, strength, and enlightenment.

#### Japan's Hata Suggests Compromise on Electoral Reform

OW1609093293 Tokyo KYODO in English 0915 GMT 16 Sep 93

[Text] Phnom Penh, Sept. 16 KYODO—Japanese Foreign Minister Tsutomu Hata suggested Thursday the government may compromise with the opposition Liberal Democratic Party (LDP) on electoral reform in the House of Representatives.

At issue is the distribution of seats between single-seat constituencies and proportional representation in the powerful lower house. In a meeting with Japanese reporters accompanying him at a Phnom Penh hotel, Hata, head of Shinseito (Japan Renewal Party), said, "(the coalition government) may present a compromise (to the LDP)." Shinseito is a breakaway party from the LDP and one of seven parties comprising the coalition government of Prime Minister Morihiro Hosokawa.

Hata also said it would be unusual for the Diet to reach a conclusion on electoral reform prior to the convening of the Diet session Friday. The government plans to present the Diet session with an electoral reform proposal that would combine 250 single-seat constituencies and 250 seats for proportional representation in the lower house, a reduction of 11 seats from the current 511.

The LDP, which proposes to reduce the lower house member to 471, is opposed to the government plan and has demanded 300 seats be distributed to single seat constituencies with a remaining 171 seats for proportional representation.

On the issue of the dissolution of the lower house, Hata said, "it is not easy for Prime Minister Hosokawa to dissolve the house until before fall next year," saying the government must have time to draw district lines for single seat constituencies as well as make the new political system understood by the Japanese public.

#### Ambassador: Poland To Recognize New Government

BK1409122893 Phnom Penh AKP in English 1034 GMT 14 Sep 93

[Text] Phnom Penh AKP September 14—Poland was ready to recognise the new government of Cambodia following the official adoption of the new constitution, said Polish ambassador to Cambodia Krzysztof Kosel.

Krzysztof Kosel, who called on Prince Norodom Sirivut, minister of foreign affairs and international cooperation, last Saturday, conveyed the Polish government's support for the Provisional National Government's efforts in national reconciliation and unity.

Poland also had diplomatic ties with the former regime of the State of Cambodia (SOC) and assisted to renovate the Emerald Temple's wall in Phnom Penh and Angkor Wat complex and provided scholarship to hundreds Cambodian students. The Polish diplomat said, however, that Poland would continue to provide more scholarship to Cambodians in accordance with its capacity.

For his part, Prince Norodom Sirivut warmly thanked the Polish government for its assistance to Cambodian reconstruction as well as the preservation of Cambodia's civilisation and training of Cambodian students.

Poland has also joined the peacekeeping operation in Cambodia by sending troops and police to the U.N. mission with its mandate, which will end this month following the adoption of a new constitution and forming a new national government of Cambodia.

With regard to the current situation, the foreign minister also said Cambodia would adopt a progressive constitutional monarchy, and the door was still open for the Khmer Rouge to joint the community.

#### Report: Army Anti-Khmer Rouge Activities 29 Aug-8 Sep

BK1609114193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 15 Sep 93

[Text] The Cambodian National Armed Forces [CNAF] in the 2d Military Region east of the Mekong River conducted sweep operations from 29 August to 8 September in a number of localities inside Dambe and Kroch Chhma Districts of Kompong Cham Province and Chhlong District of Kratie Province. This was in bid to become even more effective in the zone under their responsibility and to protect the lives of the local people against all rebellious activities of the Khmer Rouge.

As a result, the CNAF won full control of several strategic positions of the Khmer Rouge, including the command post on the front east of the Mekong River; the command post on Route 920 at Bos Veng in the Sasar Trung area; the command post of Division 801 at Chithean, Seida commune; and a number of positions in Dambe District, Kompong Cham Province, and Chhlong District, Kratie Province.

The CNAF killed 11 Khmer Rouge, wounded three, and captured 14 others, including six soldiers and eight active guerrillas. Our CNAF also forced 122 Khmer Rouge rebels, including six soldiers and 116 active guerrillas, to surrender. They also seized 133 assorted weapons and a large quantity of war materiel, destroyed

140 enemy shelters, and took possession of a considerable amount of materiel, including 10 houses, four all-terrain cars, three tractors, seven field radio sets, five portable engines, one power saw, and thousands of cubic meters of timber.

The local population expressed great joy and warmly welcomed the feats of our CNAF in ensuring security for the people and national community.

#### Khmer Rouge Commentary on Chea Sim-Hun Sen Rift

BK1609112593 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 15 Sep 93

[Unattributed commentary: "What Is the Fact Concerning the Vietnamese Puppets' Internal Rift?"]

[Text] There were reports that the Chea Sim and Hun Sen factions are in turmoil, scrambling for power in the two-headed government. The Chea Sim faction demands Hun Sen's demotion from his post of coprime minister and the promotion of Sar Kheng, Chea Sim's nephew, to the post of coprime minister and deputy prime minister.

What is the fact concerning this internal rift game of the Vietnamese puppets? The fact is: On the one point, everyone knows that there are two factions in the Vietnamese puppet clique. The first faction is made up of Cambodian puppets, who have been in Hanoi since 1954, which is almost 40 years now, to be indoctrinated with Vietnamese ideals.

Members of the other faction are the remnants inside the country, such as Chea Sim and Hun Sen. The two factions are in a Vietnamese cage. If they refuse to follow the Vietnamese order, they will be eliminated. Although they are all in the Vietnamese cage, these elements want interests for themselves and their own fellows and families. They want and have struggled for power as Vietnamese puppet-lackeys. Therefore, there have often been conflicts of interest among these elements and their fellows and families. All these elements, however, remain in the Vietnamese cage and will always follow the Vietnamese order.

Another point is that the people have been well aware of this kind of a farce by the Vietnamese aggressors. They pretend to be in conflict to fool the people, but, in fact, they are still jointly holding 90 percent of the power. Only the foolish are hoodwinked by this farce. The Cambodian nation and people, who know their true nature very well, will never be fooled.

### Indonesia

# Government 'Prepared' To Face U.S. Threats on GSP

BK1709074193 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 17 Sep 93

[Text] Indonesia will defend its right as a sovereign nation and is prepared to face the U.S. threat to revoke privileges under the Generalized System of Preferences [GSP] for the country. Speaking during a working meeting with House Commission VII [Roman seven] in Jakarta, Trade Minister Satrio Budiharjo Yudono attributed the U.S. threat to a change in assessment on the part of the U.S. Administration in implementing labor regulations in countries that are trade partners.

However, the Indonesian Government will receive a U.S. GSP team and introduce steps that have been taken to improve labor conditions in accordance with regulations. The U.S. GSP team is scheduled to observe the implementation of international labor standards in Indonesia from 19 to 24 September 1993.

#### Editorial: U.S. Trade Privileges

BK0509150793 Jakarta SUARA PEMBARUAN in Indonesian 21 Aug 93 p 2

[Editorial: "Withdrawal of GSP Facility and Labor Issues"]

[Text] Several groups, such as the SPSI (Serikat Pekerja Seluruh Indonesia) [All Indonesian Trade Union] and the YLBHI (Yayasan Lembaga Bantuan Hukum Indonesia) [Indonesian Legal Aid Foundation], have reacted to the U.S. threat to abolish trade privileges given to Indonesia for 640 of its export commodities until February 1994 under the Generalized System of Preferences [GSP] facility. The SPSI and YLBHI have expressed their ideas and put forward several interesting proposals on the matter that deserve careful examination.

The U.S. Administration is currently threatening to lift Indonesia's GSP facility for various reasons, citing among other things failure to improve the treatment of workers, underpayment of workers, obstruction of workers' rights to organize trade unions, and employment of the underaged.

The U.S. Administration says that it granted trade privileges for the export of certain kind of commodities to the United States under the GSP facility with the aim of improving and providing support to the development of industries in developing countries, including Indonesia. But at the same time the United States is taking into account factors such as the competitiveness of particular export commodities in order to protect its own local industry. This is understandable, because the GSP facility has to be passed by the U.S. Congress, and the Congress is subject to the influence of public opinion and pressure from American trade unions and social organizations.

It is claimed that cases of underpaid workers and the absence of a clear-cut trade policy in Indonesia are among the many things that are contributing to the unhealthy trade competition, which the country will have to face. Some Indonesian export commodities are no longer eligible for lighter import tax and other preferential treatment when they enter the United States.

The Indonesian Government has set up an interdepartmental team to lobby the visiting U.S. trade representatives (USTR), also known as the GSP team, to facilitate Indonesia's GSP privileges. Although the GSP facility provided by the United States is very important for boosting Indonesia's exports and foreign exchange, the YLBHI feels that the facility only benefits the industrialists, while workers' rights are being sacrificed. YLBHI believes that the formation of an interdepartmental team to enlighten the U.S. team about labor conditions in the country should be accompanied by the implementation of concrete measures to improve the workers' economic conditions and rights. That was one of main ideas expressed to the media by the YLBHI. and was signed by its chairman, Adnan Buyung Nasution, last Thursday, (12/8).

According to YLBHI, in the effort to improve labor condition in the country, the main factor is to change the attitude that workers are a potential threat to political stability and that security measures have to be tightened to prevent them from getting out of order. The YLBHI has also called on the government to allow workers the right to organize an independent labor union, not limited within the circle of SPSI. The YLBHI has called on the industrial management team to stop interfering with the workers' process of organizing a labor union and in the operations of the union. An independent wage council should be established, and wages should be regarded as the workers' right because of their involvement in the process of production.

The government has also been urged to issue immediate measures to ease labor regulations that are seen as suppressing the workers' livelihood. In view of this, the YLBHI proposes the lifting of five SK Menteri Tenaga Kerja [Manpower Minister's Decision Letters] concerning overtime wages, strikes, contract workers, protection of workers' rights, and status changes on ownership of industries. Such regulations are considered to give justification to management to involve outsiders, such as provincial administrations, military district commands, and regional police officials, in handling strikes.

Meanwhile, Brigadier General Sharwan Hamid, ABRI's [Armed Forces of the Republic of Indonesia] Information Center chief, said on Thursday, 12 August, that ABRI would join in efforts to settle labor issues when workers' protests damage public installations, get out of control, or threaten internal security. According to Sharwan Hamid, it does not matter to ABRI if workers have submitted demands for the protection of their

rights or aired their aspirations within the limits of the existing mechanism of the government's labor laws.

SPSI Secretary General Bomer Pasaribu hopes that the government will take fair legal action against industries that violate the regional standard of the minimum wage regulation (UMR), so that workers enjoy their right to the basic necessities in life. The SPSI secretary general appeals to the authorities to take to court all employers who violate the UMR and impose social sanction against them as warranted.

Actually, there are many aspects of the labor regulations regarding the industrial relations system in Indonesia that need to be reviewed. Labor issues are coming to the surface now in the wake of the U.S. threat to lift trade privileges under the GSP facility because it is connected to Indonesia's failure to improve the conditions of its workers. If this is the case, several labor regulations could be lifted just for the sake of maintaining Indonesia's preferential trade status.

The labor issues cover a wide range of aspects that could not be resolved easily in a short period. The best thing to do is to view the issues realistically. The basic problem is the emergence of about 2.5 million new workers every year, while job opportunities in the country are limited. If this problem is not solved, it will aggravate the situation.

According to accounts given by some experts, when economic growth increases by 1 percent, about 300,000 workers can be absorbed. This means Indonesia needs a minimum of 8 percent economic growth to absorb the 2.5 million workers every year. Under Repelita V [fifth five-year development program] the economy grew at an average of 5 percent; under Repelita VI, economic growth is targeted to reach an average of 6.2 percent per year. The key issue lies in the fact that Indonesia wants to spur high economic growth to overcome the unemployment problem and to ensure equitable distribution in the country, but without upsetting national stability.

# Military Chief on Arms Purchases From Non-U.S. Sources

BK1309154293 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 13 Sep 93

[Text] Indonesian Armed Forces [ABRI] Commander General Feisal Tanjung says ABRI personnel are accustomed to using U.S.-made weapons, but the government does not rule out the possibility of purchasing arms from other countries, including Russia. Commenting on the U.S. Government's plan to stop arms sale to Indonesia, Gen. Feisal Tanjung said Indonesia can purchase arms from Germany, France, Britain, and Russia. The purchase from several countries is needed to replace outdated weapons.

#### Satelindo, Arianespace Sign Accord on Palapa Launch

BK0509122693 Jakarta KOMPAS in Indonesian 21 Aug 93 p 2

[Text] The contract for launching Palapa C-1 satellite was signed on Wednesday, 18 August, by PT Satelindo, the owner of the satellite, and Arianespace, which is responsible for launching the satellite. PT Satelindo's President Director Ir. [Engineer] Iwa Sewaka and Adi Adiwoso represented the company while Arianespace was represented by its chief executive [two preceding words in English], Charles Bigot. Palapa C-1, which has 30 C-band channels and four Ku-band channels, should be fully operational by 1995 to replace Palapa B2P, which was launched in 1987. The U.S. Hughes Aircraft Company is currently responsible for the construction of the satellite.

# Activist on Golkar Becoming 'Fully-Fledged' Party BK1109105793 Jakarta THE JAKARTA POST in English 28 Aug 93 p 2

[Text] Jakarta (JP)—A leading Golkar [Functional Group] activist gives a thumbs down to the suggestion that the ruling political group should become a fully-fledged party, stressing that the core issue is its independence and not its official title.

Marzuki Darusman, an outspoken Golkar member, said Golkar has effectively functioned as political party and that changing the name would not really have any impact on the internal workings of the organization. "There is no difference between Golkar and the other political parties," he told THE JAKARTA POST yesterday. "It's only a name, and Golkar could just easily call itself Partai Karya [Functional Group Party] or Partai Kongres [Congress Party], or whatever."

Two scholars from University of Indonesia this week said Golkar should now call itself a political party and that it should act like one for the sake of its own future and the future of the nation.

Golkar, which has won all five elections neld under President Suharto, has refused to call itself a political party. Historically, it was formed in 1964 with the sponsorship of the Army, bringing together various functional groups to rally against the powerful Indonesian Communist Party at the time.

In 1992, Golkar won 68 percent of the total votes in the election which was also contested by the United Development Party and the Indonesian Democratic Party.

Marzuki, a former member of the House of Representatives, said that Golkar is in many ways like a political party, recruiting members, grooming leaders and taking part in the election. Its exclusiveness lies in its special relations with the Armed Forces (ABRI) and the Civil Service which the other two parties do not enjoy, he said. ABRI and Civil Service leaders maintain special channels in Golkar and both exert influence in its decisionmaking process.

Marzuki said a more crucial issue in Golkar is the question of independence but stressed that this need not necessarily be interpreted as detaching from ABRI and the Civil Service. "This independence must be reflected in giving more freedom to Golkar members in the House of Representatives to speak without fearing that they might offend the leadership," said Marzuki, whose outspokenness has been cited as the reason why Golkar decided to drop him out of the House. "This will also help improving Golkar's political weight," he said.

Two Golkar elders, Amir Mahmud and Alamshah Ratuperwiranegara, have rejected the proposal to call Golkar
a political party. "The change could incite political
chaos," Amir, a former minister of home affairs, said.
Alamshah also rejected any change if it meant severing
the formal links between Golkar and ABRI. "ABRI will
not leave Golkar," the former minister of religious
affairs said.

Marzuki said detaching ABRI and the Civil Service from Golkar may do more harm than good in the short term, and cautioned that many Golkar members are not ready for the change. "The most urgent thing for Golkar is to develop an internal open mechanism which can channel all aspirations of its members," he said, adding that the current system is too centralistic and paternalistic.

Marzuki pointed to the fact that at present, Golkar's policies and the formation of its central and regional executive boards have not been the result of internal dynamic pressures or deliberations. Golkar should change the way it recruits members and groom leaders, putting emphasis on quality, and not solely on quantity. "Golkar must strive to become more appealing to non-governmental organizations and accommodate their aspirations," he said.

By enforcing changes in its internal workings, Golkar could strengthen its position as political organization and not act merely as a political machine to win elections. "Golkar then will not only serve as a mere legitimate tool of the government to win elections, but a channel of people's aspirations," he said.

#### Minister's Remarks on Industries, Economy Viewed

BK1209095193 Jakarta SUARA PEMBARUAN in Indonesian 28 Aug 93 p 2

[Editorial: "Our Economic Structure Is Not Yet Stable"]

[Text] The current openess policy has made it possible for us to understand national development in a broader sense and see it from several dimensional angles. Currently, we are required to be realistic when evaluating the various aspects of shortcomings, problems, and challenges facing our national development program. We

need to make fair observations when voicing our views on the objectives of the national development. This factor could be grasped from the statement made by Finance Minister Mar'ie Mohammed when he addressed a business lunch marking 14th anniversary of the EKSEKUTIF business magazine in Jakarta last Wednesday, 25 August.

Based on his observation of the condition of the business community, the finance minister concludes that Indonesia has to strengthen the efficiency of its economy. Even though Indonesia does have big business groups, their existence does not balance with the development of medium and small scale enterprises that are not yet established and that are not large in number. According to Mar'ie Mohammad, the government need not create enmity with the big business groups. No matter how, they are part of the national assets. But, he adds, those that are already big need not be expanded.

He stresses that it is important to boost the development of medium-scale industries now. The problem is, he says, we do not have solid medium-scale industries, and we still have a gap between the big business groups and the medium-scale industries. He feels that the success achieved by advanced industrialized countries now must have started with the existence of medium class industries. He notes that a solid category of medium-scale industries are flexible in their operations and are agile in weathering economic downturns.

What has been put forward by Finance Minister Mar'ie Mohammad is something that has long been known to us. The signal that he is indicating is related to the anticipation of various possibilities that will happen in five years' time when the Uruguay Rounds of (GATT) talks come out with a new world trade system in which the tariffs and nontariffs on various kinds of commodities will be abolished. In view of this, Indonesia should be prepared to face the worst of the uncertain international economic situation.

However, it is not easy to get a clear picture of the three-tiered strength of industries in Indonesia. To get detailed information on the matter requires personal effort. The status of the three categories of industries becomes relative from time to time, because the smaller industries seldom grow bigger. What needs careful studying is the data on the three-tiered industries, such as a comparison of their size as well as the criterias required to create them. This is because so far there has been no standard measurement for three-tiered industries.

About 200 conglomerate companies have been grouped under the big tax payers category. A total of 2.2 trillion rupiah of tax revenue was collected from them in the 1990-1991 fiscal year. There are roughly about 5,000 medium-scale industries, which include the five-foot way traders, family business, retail shops, and repair workshops.

The roles and contributions of these small, medium-scale enterprises to the exports of nonoil and nongas commodities are rarely exposed. According to data from the Industry Department, the role of medium-scale enterprises (multiindustry) in export trade continues to increase, and under 1993-1994 the revenue is expected to reach US\$15.6 million. The factors that support this type of enterprise are the not-so-big industries, local natural resources that require intensive labor, and the vast opportunities for entry into the global market. The small scale enterprises occupy a second place in the export trade, with a targetted export volume amounting to US\$2.2 million.

The basic metal industry and the electronic industry occupy third place on the list of nonoil and nongas export commodities with a value of US\$1.7 million. Thus, in an effort to boost the exports of commodities produced by the industries that are of broad spectrum [preceeding two words in English] in nature, the small and medium-scale enterprises would definitely play a leading role.

The contribution by the big conglomerate companies to export trade is very small when compared to their total assets. They only export textiles and textile products and processed timber and timber products. The conglomerates' other products rely mainly on the domestic market. Business observers say that business circles in Indonesia conducts trade according to the law of anomaly: the bigger the enterprise is, the smaller its contribution to the export trade.

The conglomerate companies are inclined to choose a huge business venture and are usually well protected until they get a captive market [preceeding two words in English] that does not pay much attention to the quality of the products, and services. The time has come for the big business groups to be more orientated towards the global market in order to strengthen the country's foreign exchange income in line with the various facilities that they have been enjoying so far.

# Technology Minister Hailed as 'New Dominant Force'

BK1509101993 Jakarta MERDEKA in Indonesian 1 Sep 93 p 4

[Editorial: "Habibie and Politics"]

[Text] In this ever changing world, people know the Habibie Theory, Habibie Factor, and the Habibie Function. Students who are currently acquiring knowledge in foreign technological institutions in Europe, the United States, and other parts of the world are applying this knowledge in their learning process.

In recent developments in Indonesia, political observers have nicknamed Habibie Mr. Crack [two preceding words in English] because that sobriquet was given to him for his accountability to account for crack propaganda on random [four preceding words in English] to the last atom on any political debate.

The Habibie Theory, Factor, and Function, which in truth, is only a technological idiom, is being included within the political framework. Political manuevers occuring recently are considered to be linked to the Habibie Theory, Factor, and Function.

This indicates that people observe that the Habibie Theory, Factor, and Function are present during political discussions. It seems that political "play," which is currently prevailing within society, is colored by these Habibie influences. Thus, Habibie is considered to be a "new dominant" force.

The interpretation that there is a factor such as the Habibie factor in political constellations, whether or not such an interpretation exists, has, at least, colored the national political scene. Up to this moment, whenever Habibie is around, people observe that the Habibie scenario is prevalent. For instance, the All-Indonesia Muslim Intellectuals Organization (ICMI) interprets whatever Habibie has in mind. Political observers consider this a political factor and ICMI's activities are considered to be directed toward a political target.

As interpreted by political observers, ICMI members view this consideration as a mockery because the organization is not a political institution. The organization, which groups only intellectuals, contributes solely to the process of establishing people's intelleuctual culture as part of an effort to create a desired disciplined, progressive, and respected Indonesian society in the 21st century.

Due to their formidable political beliefs, political observers were caught in the quagmire of numerous assumptions such as associating ICMI with having power and access in determining, for instance, the appointment of governors, parliamentarians, and also cabinet ministers. Truthfully speaking, there are certain criteria which have to be satisfied prior to anyone being appointed to the position of governor, and ICMI has no jurisdiction whatsoever in making any such decision or determination.

The considerations, which link Habibie with the country's prevailing political constellations, have unconsciously transformed Habibie into a political institution, which means that he is not linked with technology anymore. Apart from this, there are others who consider him the unique person responsible for the emergence of techno-politics.

As for us, such a consideration is totally apt if we view Habibie from the political aspect and not from his technological expertise. Therefore, Habibie's move in inviting Ali Sadikin [a member of the dissident Petisi 45 group] to PT PAL [Indonesian Navy Dockyard] or to

IPTN [National Aircraft Industry] point toward national interests for future national development, which could be technology oriented.

In fact, ICMI's considerations also run parallel with the above considerations in stressing the need for the absorption of technological values by the legislative and bureaucratic circles. In our opinion, the appointment of several persons including ministers, whether they are from the first echelon level from various departments or parliamentary legislators, is not politically motivated in seeking power but, in fact, is an effort toward merging the desired measures in entering the upcoming PJPT II [Second 25-Year Long-Term Development Program] accentuated on the increase of human resources, knowledge, and technology.

In coordination with the PJPT II process, as the founder of the technological expertise for the PJPT II, Habibie is obviously seen as the sole person responsible for making the PJPT II a real sucess. Habibie has no other alternative, but to place his "candidates" in several strategic sectors in the effort toward realizing the desired increase in human resources, knowledge, and technology.

Therefore, the steps taken by him form the ultimate decision, which correspond to those undertaken by the Meiji Emperor (1869 - 1912) in elevating Japan, the decision which was later known as the Meiji Restoration [two preceding words in English] or which are also smilar to the measures taken by Wijoyo Nitisastro to emplace graduates from Berkeley and CSIS [Center for Strategic International Studies] officials when PJPT I was implemented.

According to our perception, it would be naive if Habibie was evaluated as trying to garner strength to gain access to power, which in turn could be considered as him moving closer to his target of leading the nation in the post-Suharto era. What is more important and pressing for Habibie is how he can make the PJPT II a real success. The hope of such a dream materializing is not only to be desired by President Suharto, our national leader, and by Habibie himself, but should be desired by all of the Indonesian community who yearn for progress.

#### Laos

#### Foreign Minister Attends DPRK Reception

BK1009034293 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Sep 93

[Text] Yesterday evening, Chang Yong-chun, ambassador of the Democratic People's Republic of Korea to Laos, hosted a reception at the Mekong Restaurant in Vientiane to mark the 45th anniversary of the DPRK National Day.

Attending this social function were Somsavat Lengsavat, minister of foreign affairs of the Lao People's Democratic Republic; Maisouk Saisompheng, chairman of the Laos-Korea Friendship Association; and a number of invited high-ranking Lao officials.

Before the reception, Maisouk Saisompheng together with the Executive Committee of the Laos-Korea Friendship Association presented a bouquet to Korean Ambassador Chang Yong-chun to extend to him their greetings and best wishes on the occasion of the DPRK National Day.

# Delegation Leaves for IPU Conference in Canberra

BK1309143093 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 13 Sep 93

[Text] The delegation of the National Assembly of the Lao People's Democrartic Republic [LPDR] headed by Khamliang Phonsena, member of the National Assembly Standing Committee and chairman of its Foreign Affairs Committee and chairman of the Interparliamentary Committee of the LPDR, left Vientiane on 10 September to attend the 90th conference of the Interparliamentary Union [IPU] which is to be held in Canberra, Australia, from 13 to 19 September.

The conference, which will be attended by delegations from more than 100 countries and some 20 international organizations, will discuss many international issues, especially humanitarian and (?health) problems of aged people.

#### **Cuban Friendship Delegation Received**

BK1709032393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Sep 93

[Text] Yesterday afternoon at the National Assembly Hall in Vientiane, Khambou Sounisai, deputy chairman of the National Assembly and chairman of the Laos-Cuba Friendship Association [LCFA], received a delegation of the Cuba-Laos Friendship Association [CLFA] led by (Ramon Diaz Vavina), deputy minister of public health of the Republic of Cuba and chairman of the CLFA. The Cuban delegation is on a visit to Laos from 16 to 21 September at the invitation of the LCFA.

On this occasion LCFA Chairman Khambou Sounisai discussed several major issues with the Cuban guests concerning cooperation between Laos and Cuba and between the two friendship associations. Both sides also exchanged views on issues of mutual interest and consulted with each other on ways and means to improve cooperation further between the two countries and the two associations.

At the end of the conversation, Khambou Sounisai wished the CLFA delegation success in their visit to Laos.

### Thai Education Delegation Donates Equipment

BK1709044793 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Sep 93

[Text] On the morning of 16 September at the Ministry of Education, Phanom Kaeokamnoet, director of the Teacher's Institute of Thailand's Business Organization, presented a total of 980 items of educational equipment worth 12,136,810 baht to the Lao Education Ministry. The items include educational and technical equipment for engineering schools, scientific laboratories, and various fields of vocational study, including carpentry, electronics, and dressmaking. The equipment was received by Dr. Sikhamtat Mittalai, director of the Universities and Vocational Education Department, in the presence of representatives from the Lao-Thai Cooperation Committee, the Planning and Cooperation Committee, the Foreign Affairs Ministry, and the Prime Minister's Office along with a number of high-ranking officials of the Thai Embassy in Laos.

The Thai Education Ministry has given assistance to Laos in the past in the form of scholarships for Lao students, at an average of about 90 scholarships per year for bachelor's degree studies and various levels of vocational education.

Meanwhile, on the afternoon of 15 September, Sinuan Komonwanit, educational inspector of the Thai Education Ministry, led a Thai Education Ministry delegation in a courtesy call on Lao Deputy Education Minister Khamtan Chanthala. On this occasion, both sides highly valued the success of the cooperation and assistance in the Lao-Thai educational development project, thus contributing to the gradual improvement of cooperation and friendly relations between Laos and Thailand.

The Thai Education Ministry delegation arrived in Laos on 9 September and left for home on the afternoon of 16 September.

### **Philippines**

#### MNLF To Hold Peace Talks in Indonesia

#### Men Ordered To Avoid Clashes

HK0609140093 Quezon City ABC-DWET Television in Tagalog 1000 GMT 6 Sep 93

[From the "ABC-DWET News Program"]

[Text] Nur Misuari, Moro National Liberation Front [MNLF] chairman, has ordered all of his men to avoid any encounters with government forces. This has been Misuari's response to President Fidel V. Ramos' suspension of all kinds of military operations in Basilan and other parts of Mindanao.

In a telephone interview with ABC 5, Misuari has said that the president's order to stop military operations in Basilan will revive the climate of trust for the forthcoming peace talks. The MNLF leader has guaranteed that his field commanders and men in Mindanao will obey his orders.

Misuari has added that Hanid Algabid, Organization of Islamic Conference secretary-general, has made a proposal for the MNLF and the government to formally start negotiations. The talks have been scheduled to take place in Jakarta, Indonesia. The recommendation has been sent to President Ramos' office for approval.

#### Formal Announcement Made

HK0809052193 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 8 Sep 93

[Text] It is all systems go for the formal peace talks between the government and the Moro National Liberation Front [MNLF]. This was announced after the MNLF formally notified Congressman Eduardo Ermita that it has agreed to hold formal peace talks according to the shifting venue policy. Substantial talks will be held in Jakarta, Indonesia. Ermita said they are now only awaiting the formal letter from MNLF Chairman Nur Misuari to President Fidel V. Ramos, which will name his representative for the opening ceremonies in Manila and specify the dates for the discussions.

In principle, Indonesia has agreed to serve as host country and is just waiting for details from the Philippine Government. Ermita said they expect to complete the peace talks before President Ramos' state visit to Indonesia, scheduled for 20-24 September. In this way, the Indonesian Government would be able to help if the talks encounter problems before President Ramos arrives.

#### **Date for Talks Suggested**

HK1109073293 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 10 Sep 93

[Text] The Moro National Liberation Front [MNLF] has suggested that formal peace talks with the government be held some time between 10 and 18 September. [as received] Congressman Nur Jafar, adviser to the government panel negotiating with the MNLF, said the MNLF made the proposal based on the availability of MNLF Chairman Nur Misuari and the Islamic Conference Organization secretary general. Jafar added that should the government and the MNLF agree on the proposed dates, MNLF officials based here in the Philippines are willing to go to Jakarta for the talks on 15 September.

#### Effect of Israel-PLO Pact Cited

HK1609040693 Manila MANILA BULLETIN in English 16 Sep 93 p 1

[Report by Romy S. Mapile]

[Text] Palestinian Ambassador to the Philippines Musa A. Odeh yesterday said the new peace accord between Israel and the Palestine Liberation Organization [PLO] augurs well for the reconciliation moves of the Philippine government with the Moro National Liberation Front (MNLF).

Odeh said the signing of the agreement between PLO leader Yasser Arafat and Israel Prime Minister Yitzhak Rabin in Washington, D.C., is an indication of many possibilities in the world peace process.

He said Palestine supports the Philippine government's efforts for a peaceful solution to the Muslim issue in this country, adding that he is willing to act as intermediary, if invited.

Ambassador Odeh said the government-MNLF talks should be an easier situation to pursue than the erst-while Israel-Palestine problem because the former concerns only autonomy while the latter involves land and sovereignty.

Odeh played an active role in the recent release of the two Spanish nuns kidnaped by the Abu Sayaff group in Mindanao.

Odeh, whose parents reside in the occupied territory of the West Bank in Palestine, expressed happiness over the new peace agreement, especially since he will now be able to look forward to visiting the members of his family.

The Palestinian envoy said the accord will eventually prove beneficial for the whole Middle East because it will bring about peace.

#### President Ramos Hails Israel-PLO Peace Accord

HK1509055093 Manila MANILA BULLETIN in English 15 Sep 93 p 1

[Text] President Ramos joined the international community yesterday in expressing elation over the signing of the Israel-PLO [Palestine Liberation Organization] accord at the White House in Washington, DC, United States. "This is a great development for two peoples with which the Philippines enjoys a deep friendship," the President declared as he expressed hope that similar agreements between Israel and her neighbors will be concluded in the future.

The text of the President's statement follows:

"The Philippines joins the international community in expressing its elation over the signing of the Israel-PLO accord. This is a great development for two peoples with which the Philippines enjoys a deep friendship, the Israeli and Palestinian peoples. The Philippines has long viewed the differences between the two communities not as a choice between a right and a wrong cause, but rather as two just causes in need of conciliation.

"I salute the statesmen who made this historic event possible, the President of Palestine and PLO Chairman Yasir 'Arafat and the Prime Minister of Israel Yitzhaq Rabin. Likewise, I congratulate the governments of the United States and Norway for their key roles in helping to insure enduring peace in the Middle East.

"The accord marks a vital breakthrough in the Middle East peace process. We hope that similar agreements between Israel and her neighbors will be concluded in the near future. In the United Nations and other international fora, the Philippines has always supported the legitimate aspirations of both the Palestinian and Israeli peoples. We enjoy fruitful bilateral relations with both Israel and Palestine.

"This accord is further evidence of a current global trend towards reconciliation between formerly adversarial entities. We in the Philippines are ourselves in the midst of a comprehensive peace process. We are confident that our own unification efforts till receive added impetus from the global trend, just now elevated to new heights by Israel and Palestine."

# House Wants U.S. To Reveal Toxic Waste Data

HK1709030793 Quezon City MALAYA in English 17 Sep 93 p 2

#### [Report by Chit Estella]

[Text] A year after the complete withdrawal of U.S. military forces from the Philippines, a resolution was filed yesterday in the House of Representatives urging President Ramos to ask the U.S. Government during his November working visit, to disclose the full extent of toxic and harzardous waste left behind in the Clark and Subic bases.

Rep. Ralph Recto (NP [Nationalist Party], Batangas), who filed House Resolution No. 767, said disclosure of information regarding the toxic waste was an important step toward the successful conversion of former military bases into commercial centers.

Citing principles set under the U.S. Freedom of Information Act, Recto said the American Government should not "hide information behind the veil of national security."

Recto cited the 1989 report of the US General Accounting Office, the investigative arm of the U.S. Congress, which said 400,000 tons of axic waste werre churned out in the bases yearly.

Another report, made by the Environmental Restoration Panel to the chairman of the Armed Services Committee of the U.S. House of Representatives, said in 1991 that the environmental policies of both the U.S. and Philippine Governments were largely ignored in the two bases.

A top Pentagon official and a report by the National Toxics Campaign Funds entitled, "The US Military Toxic Legacy: America's Worst Environmental Enemy," also said the Philippines had the worst cases of toxic discharge by U.S. military forces.

#### Australian Parliamentarians Visit, Discuss Sprattys

HK1409061693 Quezon City MALAYA in English 14 Sep 93 p 2

[Text] Members of the Australian parliament yesterday expressed willingness to ask their government to "broker" between claimant countries of the Spratly group of islands in the South China Sea. In a dialog with senators, led by Senate President Edgardo Angara, delegates of the Australian parliament said they "would look into the possibility" of brokering an agreement between countries disputing territorial jurisdiction over the Spratlys.

The delegation, headed by Eamon John Lindsay, Parliamentary Secretary to the Minister for Industry, Technology and Regional Development, was asked by Sen. Rodolfo Biazon (Laban) [Struggle Party] to broker the agreement since Australia, which was also a party to a territorial dispute in the South China Sea, was able to reach a peaceful agreement on the issue with Indonesia.

Biazon said Australia could initiate a peaceful solution to the Spratly conflict in the Asian Regional Forum, where Australia is a dialog partner, next year. He said that due to Australia's agreement with Indonesia, it is in a "position to broker an agreement" towards the peaceful resolution of the Spratly conflict.

Australia and Indonesia, which are disputing the jurisdiction of some islands also located in the South China Sea, agreed to set aside their dispute for 30 years and jointly explore the territories. At least six countries, including the Philippines, are claiming parts or all of the Spratly group of islands. The other claimant countries are China, Vietnam, Taiwan, Malaysia and Brunei.

In the same dialog, senators also asked Australia to push for a stronger and more enthusiastic trade and investment relations between the two countries. Board of Investments records showed that there are 61 Australian investors in the Philippines with a total equity investment of P1.6 billion [Philippine pesos].

### Editorial Criticizes Political Repression in China HK1709031593 Manila THE MANILA CHRONICLE in English 17 Sep 93 p 4

[Editorial: "Beijing Doesn't Deserve Olympics 2000"]

[Text] China has released its most prominent prisoner of conscience, Wei Jingsheng, apparently to indicate it is loosening up on political dissent and improve its chances of winning the right to host the Olympic Games in the year 2000. But one release does not a regime of free civil and political rights make.

Wei may be out in prison but the repression fostered by an authoritarian system that has made a mockery of human rights remains. How Beijing scoffs at human rights is even evident in Wei's case. The release comes just six months short of Wei's 15- year sentence on ridiculous charges of selling state secrets and "counter-revolutionary incitements." As an officer of Asia Watch, the rights monitor, said, "it's a disgusting performance and the government should get no credit for clemency. To wait for six months until the end, then to spring him like a rabbit out of the hat—it's too obvious for words."

Moreover, the announcement did not produce Wei. As of Wednesday, there was still no independent sighting of the dissident. The Ministry of Justice, which announced the release, said it had no knowledge of the whereabouts of Wei.

China's human rights record fails on all fronts. According to the 1993 report of Amnesty International: "Thousands of political prisoners were held. Scores of prisoners of conscience were serving prison sentences but others were detained without charge or trial... Torture and ill-treatment of prisoners were common." Before Wei, the most famous dissident was Han Dongfang, a prominent labor activist during the 1989 protests. Last year, according to Amnesty International, when Han appeared before the Dongcheng District People's Court in Beijing, he was beaten, kicked, and stunned with electric batons by court officials.

Beijing clamps down not only on civil and political rights but on religious and ethnic rights as well. Hundreds of Christians were arrested in 1992, Amnesty International said. Pei Ronggui, a Trappist priest from Hebei Province, was sentenced to five year's imprisonment for administering the last rites to a dying man. Some 60 Roman Catholic priests and lay people remain held, including 76- year-old Bishop Yang Libo. Over 200 Tibetan political activists are in prison.

Wei's release is definitely not impressive. Beijing's policy of political and religious repression becomes even more disgusting when placed in the context of its growing economic prosperity. In making a bid to host the Olympics, Beijing further wants to pad this prosperity and attain international acceptance for its authoritarian ways.

Beijing must realize that to attain real progress, it must democratize. Wei known this and was, in fact, arrested for his essay "The Fitth Modernization—Democracy," written during the brief exceed in the late '70's known as the Beijing Spring. The way mocked Deng Xiaoping's Four Modernizations program, aimed at making China catch up with the West. Against Deng's absurd "Four Cardinal Principles" of progress (Socialism, Dictatorship of the Proletariat, Democratic Centralism, and Marxism-Leninism-Mao Zedong Thought). Wei proposes one simple principle—democracy.

"Judging from past history, a democratic social system is the prerequisite for development or modernization. Without this, it would be impossible not only to continue further development but also to preserve the fruits of the present stage of development... "Why are all reactionaries in contemporary history united under a common banner against democracy? The answer is that democracy provides everything for their enemy—the masses of people—but nothing for them—the oppressors—to oppose the people with. The biggest reactionary is always the biggest opponent of democracy."

Deng's principles have since been repudiated by the defeat of communism worldwide. Forever dogmatic, Beijing has called its growing fondness with capitalism as "social market economies," a contradiction in terms. Anyway, it wants to obtain progress at the cost of political rights. Looking deeper at the new China, one would see that it is nothing but a fascist state.

There are those who argue that giving Beijing the right to host the Games would further prod it to liberalize and democratize. But this is mainly advanced by businessmen who want to penetrate the Chinese market. There is no conscience in commerce.

There are also those who say that rejecting Beijing's bid because it is communist would politize the Games, like the West's boycott of the Moscow Games and the retaliation by the Communist Bloc during the Los Angeles Olympies. But we are not living anymore in a bipolar world where ideologies used to clash. The collapse of communism shows there is a broad acceptance of democracy as an instrument in the conduct of international relations, moored on the universal validity of human rights. If Beijing still refuses to accept that, then it excludes itself—from the community of nations, from the Olympics.

#### Military Dismantles Units; Diminished Rebel Threat

HK1609035693 Manila MANILA BULLETIN in English 16 Sep 93 p 14

[Report by Aris R. Ilagan]

[Text] Top officials of the Armed Forces of the Philippines (AFP) ordered yesterday the dismantling of the AFP Security Battalion based at Camp Aguinaldo in Quezon City as part of the demobilization of military forces in Metro Manila because of the diminishing threat from rebel groups in the area.

Gen. Lisandro C. Abadia, AFP chief of staff, also ordered the dismantling of the National Capital Region Defense Command (NCRDC) at Camp Aguinaldo by December.

The AFP Security Battalion and the NCRDC were formed to counter the series of coup attempts staged by rebel forces in Metro Manila in the late '80s.

Aside from guarding vital government facilities in the metropolis from rebel attacks, the two Camp Aguinaldo units also played a vital role in neutralizing members of ultra-rightist groups.

The AFP Security Battalion and the NCRDC captured many leaders and members of the New People's Army (NPA) in Metro Manila.

The deactivation of the NCRDC is part of a plan for the turnover of counterinsurgency responsibilities to the Philippine National Police (PNP) within two years. The AFP will concentrate on its modernization program and the retraining of troops back to their traditional role as external defense forces.

Top AFP officials dismantled the two units despite threats from the NPA-Edgar Jopson Brigade.

#### Rebels Exempt From Drive Against Private Armies

HK1709025893 Quezon City MALAYA in English 17 Sep 93 p 2

[Report by Chit Estella]

[Text] The government panel negotiating with military rebels said yesterday weapons carried by authorized members of the Rebolusyonaryong Alyansang Makabansa [Nationalist Revolutionary Alliance]-Soldiers of the Filipino People-Young Officers Union will not be covered by Operation Paglalansag [Dismantling]. Prof. Alfredo Tadiar, chairman of the government panel, said the seizure of firearms currently being undertaken by the government to disband private armies should not be applied to rebel groups because the latter are engaged in peace negotiations.

He said the disposition of firearms is an item included in the agenda in the talks and would be taken up after other substantive issues have been resolved. He also said the government entered into a security arrangement with the military rebels allowing them to carry 30 firearms at any given time.

The clarification of policy was made after the name of former Col. Billy Bibit appeared on a supposed list of persons having private armies publicized Wednesday [15 September]. When the rebel panel met Wednesday with its government counterpart, Bibit, believing his safety was in danger, asked that he be allowed to leave the meeting early. "There was a sense of danger, that he is a target of the military," Tadiar said, adding Bibit left despite assurances from the government panel that "nothing will happen to him."

A government source said members of rebel organizations holding firearms are not regarded as private armies. "Their weapons are the subject of the negotiations. (Disarming) them should be done through negotiations, not through Operation Paglalansag," the source said.

# Political Parties Agree on Constitutional Reforms HK0809052593 Quezon City MALAYA in English 8

HK0809052593 Quezon City MALAYA in English 8 Sep 93 p 2

[Text] Former Foreign Secretary Raul S. Manglapus, president of Lakas-NUCD [Strength-National Union of Christian Democrats], yesterday said there was a consensus among the representatives of 10 political parties present in a meeting with President Ramos for constitutional reforms at the soonest possible time. Summing up last Saturday's [4 September] meeting at the President's residence in Arlegui St., Manglapus said, "there seems to be a consensus that there is a need for reforms, including constitutional reforms and that these reforms should not be unduly delayed."

Norberto Gonzales, president of the Socialist Democratic Party of the Philippines [PDSP], said the President appeared open to the suggestion for constitutional reform. He said the President had suggested the creation of another cluster to discuss "constitutional reforms" in today's socio-economic summit.

The participants in the meeting signed a declaration agreeing to the need for constitutional reforms which was prepared by the Philippine Constitution Association [Philconsa], which organised the gathering. Philconsa president Menardo Jimenez said it is the consensus of their members that "certain vital structural changes must be made in the basic law of the land, the Constitution, that will remove the gridlock that is paralyzing the government and enable it to launch us into the road of economic recovery, political stability and a peaceful Philippines."

Manglapus said there was no consensus on the time frame and the form of constitutional change, and the manner it will be carried out. The political parties present during the meeting were Lakas- NUCD, PDSP, Liberal Party, Struggle of Filipino Democrats, Liberal party, PDP-Laban [Democratic Party of the Philippines—Struggle], Nacionalista Party, Nationalist People's Coalition, People's Reform Party and the Party of the Filipino Masses.

# Cabinet Approves P5.8 Billion Manila-Subic Road

HK1409064493 Manila PHILIPPINE DAILY INQUIRER in English 14 Sep 93 p 17

[Report by Rita Villadiego]

[Text] A P5.8-billion expressway that will eventually link Subic Bay and Metro Manila was approved by the Cabinet last Friday, the National Economic and Development Authority (NEDA) said yesterday. The project, which will tap funds from the private sector, will be implemented through the build-operate-transfer (BOT) scheme.

It consists of the improvement and widening of the Balintawak-Tabang segment of the North Luzon expressway, the construction of the Calumpit-Lubao road, the improvement of the Pulilan-Calumpit road, and the construction of the C-5 expressway from Commonwealth Ave. to Letre road, and their eventual operation and maintenance as toll roads for a maximum concession period of 30 years.

The NEDA said the project is part of the country's arterial network development program and an initial step in constructing an expressway to link Subic Bay and Metro Manila.

Under the Luzon island strategic road network development study, the Calumpit-Lubao road has been identified as a key diversion road during national emergencies. The C-5 segment is an integral component of Metro Manila's conceptual network of radial and circumferential roads. In the 1994-1998 Medium-Term Development Program, the project is listed as one of several infrastructure projects for potential BOT implementation.

Two technical studies served as the bases for the projects. These are the Manila-Bataan road BOT project feasibility study completed in early 1993 and the detailed engineering for the northern C-5 segment from Aurora Blvd. to McArthur highway, which has been approved by the Investment Coordination Committee, a Cabinet level committee.

The private sector is expected to infuse P4.6-billion capital to start the project, Government exposure will only be limited to P1.9 billion, the NEDA said.

### Angeles City Police Smash Drug Syndicate

HK1709025193 Manila PHILIPPINE DAILY INQUIRER in English 17 Sep 93 p 16

[Report by Jay Sangil and Bert Basa]

[Text] Angeles City—An international drug syndicate was believed busted Wednesday following a raid on a house owned by a retired American serviceman where police seized P40 million [Philippine pesos] worth of prohibited drugs.

Arrested during the "buy-bust" operation by Narcoties Command agents led by Mariano Nulud was Florencio Lomonsod, a hairdresser and gardener of Thomas Griffin, 47. [sentence as published]

Nulud yielded a plastic bag of high-grade cocaine, 620 grams of hashish, 160 grams of dried marijuana, and a weighing scale.

Police also picked up a woman identified as Edith Barcenas, 28, during the raid on the house at Plaridel Subdivision in barangay Balibago here. Police are looking into the possibility that some foreigners operating nightclubs here may be behind the illicit operation.

But Supt. Efren Alamares, Angeles City PNP [Philippine National Police] chief, has cleared Griffin of any

involvement in the drug syndicate saying the American tipped off the police on the presence of contraband items in his house.

"We only accidentally found cocaine during our raid of the house," Alamares said, after police arrested Lomonsod while selling a packet of marijuana to an undercover agent.

Alamares said a cocaine sample has been sent to the crime laboratory in Camp Crame for analysis.

Angeles Mayor Edgardo Pamintuan suspected that Griffin's place could have served as "a transit point" in transporting the illegal drugs to Boracay Island with foreign tourists as buyers.

#### Thailand

#### Anti-Lao Movement, Supporters Expelled

BK1409140493 Bangkok Army Television Channel 5 in Thai 1200 GMT 14 Sep 93

[Text] The Third Army Region has been able to push an anti-Lao government movement and its masses out of Thai territory and capture a number of weapons. The 32d Control Unit of the Third Army Region launched an operation against the anti-Lao government movement, led by General Vang Pao, whose campaign to achieve autonomy led to it being driven out of Laos and fleeing to Thailand in Song Khwae Subdistrict, Mae Charim District, Nan Province and in Chiang Kham District, Phayao Province. The Third Army Region commander said the operation, which has been ongoing since 1 September, has succeeded in expelling 320 members of the movement and its masses from Thai territory and capturing such ordnance as 60-mm mortars, M-16's, AK-47's, ammunition, landmines, and hand grenades.

### **U.S. Citizens Arrested**

BK1709130693 Bangkok Army Television Channel 5 in Thai 1200 GMT 17 Sep 93

[Text] Major General Sunthon Butsi, deputy director of the Supreme Command Information Office, has reported that efforts to solve the problem concerning the movement against the Lao Government have resulted in the arrest of four Hmongs, who are naturalized U.S. citizens in Nan Province. [Hong Kong AFP in English at 1021 GMT on 17 September, in a similar report, adds: "Yeng Thao, Lao Xiong, Xang Shouasue and Thai Pe Wang, were turned over to immigration authorities on September 9 and are being questioned prior to being deported, Sunthon said.

"Military authorities believe the four were couriers who had brought money to Hmong rebels fighting the communist government in Laos as they were carrying a list of suspected donors and the amount of money each had given, he said.

"The four, who arrived in Thailand in July, also possessed three AK-47 assault rifles and a quantity of ammunition, he said.

"Sunton said the Thai military in recent months had arrested a total of 25 Lao-Americans who allegedly were planning incursions against the Vientiane government, and had deported them to the United States."]

He said the investigation is continuing to discover the source of support for the movement. Fourteen Hmongs who claimed to be Thai citizens were also arrested. These people have been transferred to the Interior Ministry's custody because they are considered to be people who illegally entered the country.

Meanwhile, the 32d Control Unit of the Third Army Region expelled 320 members of the anti-Lao Government movement, who hid themselves in Nan and Phayao Provinces, from Thai territory. This absolutely demonstrates that the Thai Government and armed forces do not encourage any group to use Thailand as base to oppose the government of any neighboring country.

#### Further on Japanese Economic Talks

BK1609121593 Bangkok Voice of Free Asia in Thai 1030 GMT 16 Sep 93

[Text] On 15 September at the Princess Motel, Foreign Ministry spokesman Sakthip Krairoek reported to newsmen on the official discussions between the foreign minister, Squadron Leader Prasong Sunsiri, and Hata, Japanese deputy prime minister and foreign minister. He said both sides discussed bilateral relations and agreed that relations have proceeded smoothly and encountered no obstacles. Both sides agreed to solve the problems faced by Thai workers in Japan. The Thai foreign minister asked Japan to quickly solve this problem.

According to Sakthip, Thailand's trade deficit against Japan was discussed and Japan was asked to help solve the problem. The Japanese deputy prime minister and foreign minister noted that the fourth meeting at the deputy minister level on Thai-Japanese economic cooperation will be held in October to further promote economic cooperation.

On promotion of bilateral relations, the Japanese deputy prime minister informed the Thai side that the Japanese Government wished to invite Prime Minister Chuan Likphai to pay an official visit at a date to be finalized by officials of the two countries.

On the regional situation, the Japanese deputy prime minister said the policy of the current Japanese Government continues to give importance to Asia and closely follows the situation in ASEAN through the ASEAN ambassadors in Tokyo.

The Thai foreign minister took the opportunity to inform the Japanese visitor of the situation in Cambodia

and Burma as well as Thailand's policy toward the two countries. He asked Japan to assist Indochinese countries in their economic development. The Japanese deputy prime minister agreed, noting that the new Japanese Government has inherited the wish of former Japanese Foreign Minister Miyazawa to convene a meeting on Indochina development in late 1993, to be followed by a major meeting in 1994.

The Japanese deputy prime minister expressed the view that the policy of isolating Burma would be counterproductive and supported Thailand's policy of constructive engagement. [previous two words rendered in English]

# Province Plans Economic Cooperation With Cambodia

BK1609080693 Bangkok Radio Thailand Network in English 0000 GMT 16 Sep 93

[Text] The new Cambodian Government reaffirmed its economic cooperation with Thailand. Trat Governor Amon Anantachai says the province has received a message from the Cambodian Government reaffirming its cooperation on the setting up of an industrial estate, a dam, and road construction. All projects will start as soon as the permanent Thai-Cambodian border checkpoint is opened in Trat Province.

The economic cooperation project between Trat Province and Koh Kong of Cambodia, proposed as a joint economic zone of the two countries, started in October 1992, and an area at the common border has been designated to be developed as an industrial estate. The Trat governor says the Cambodian Government has reaffirmed to cooperate with Thailand in three proposed projects, including an industrial estate project, a dam, and the construction of the Eastern Asian highway.

In order to boost confidence and interest of local investors, Trat Province in cooperation with the Province's Chamber of Commerce, the Thai Bankers Association, the Tourism Authority of Thailand, and the Board of Investment will hold a seminar on 18 September on investment in industry, and tourism in Indochina. The seminar is also aimed to attract Thai and foreign investors to the region.

# Chinawat Subsidiary To Increase Service in Cambodia

BK1109031793 Bangkok BANGKOK POST in English 11 Sep 93 p 17

[Text] Cambodia Chinawat [CC], a subsidiary of the Chinawat Group, expects to be granted a concession from the Cambodian Government to operate an international gateway for 200 circuits at the end of this month.

Cambodia Chinawat director Arak Chonratanon said the international gateway service is part of a package of telephone services that the company had proposed to the Phnom Penh regime before the general election in May. CC had proposed to operate the gateway project for 15 years; however, it was granted only land-line (domestic telephone service) by the old administration, said Mr Arak.

He said the company has already installed about 5,000 telephone numbers in Phnom Penh.

Mr Arak said the company would be able to operate international gateway service within three months after it was approved by the new Cambodian Government.

Mr Arak said CC would lease a transponder from the US Intelsat satellite to operate the gateway service.

But after Thailand has its own satellite, Thaicom 1, in orbit in December, the company would shift to the Thai satellite, he said.

The gateway project, he said, would be a joint venture between CC, which would hold a 70 percent stake, and the Cambodian Government.

Mr Arak also said that so far CC has only 100 subscribers for the 5,000 land lines it has installed.

Subscribers have to pay US\$900 for phone deposit, plus an installation fee, \$10 a month for maintenance, and 15 cents/call.

Mr Arak said the company is in the process of expanding its network to cover Kampong Cha, east of Phnom Penh, Kampong Thom and Koh Kong.

# Clash Inside Malaysia; Military Denies Involvement

BK1709025193 Bangkok THE NATION in English 17 Sep 93 pp A1, A2

[Text] The Fourth Army Region said a clash between Malaysian government troops and an unidentified force took place about two kilometres inside the Malaysian state of Kelantan opposite this southern border province early yesterday morning.

The regional Army denied that Thai military personnel were involved in the 15-minute fighting in which assault rifles, grenades and mortars were used. There were no reports of casualties or any spillover into Thailand in the clash which took place at 5:55 am, it said.

Col Phisan Watthanawongkhiri, chief of the Fourth Army Region's coordination centre, said yesterday a border patrol police unit in Betong district's Tapaehuru village notified the regional Army of the armed engagement.

"We believe it was a clash between Malaysian government troops and a group of ill-intentioned people. But we have yet to confirm this," Col Phisan said. He said he would not comment further on the incident, which he described as Malaysia's internal affair for fear of upsetting bilateral relations between Thailand and Malaysia.

Phisan said the border patrol unit that notified the Army of the clash had been ordered to remain at Tapaehuru village to protect it.

Pol Capt Phithak Sikaeo, commander of Border Patrol Police Unit 445, reported that 40 mortar rounds and five grenades were launched in addition to thousands of rounds of automatic gunfire during the fighting.

"It could be mock warfare because the area is not known to have been infiltrated by separatist guerrillas or members of the Communist Party of Malaya," he said.

Col Phichai Khrutwecho, a coordination officer of the southern Army, said various Thai armed personnel, including Army rangers and border patrol police, along the border confirmed that they had nothing to do with the fighting.

"No Thai government armed personnel were involved in the clash, either in cooperation with the Malaysian troops or in hot pursuit of separatist guerrillas," the officer said. "There was no incursion into Malaysia by our soldiers."

He said all military operations by Thai government troops against separatist guerrillas since the outbreak of terrorist attacks in southern Thailand in early August were carried out inside Thai territory.

"Thai Army troops and border patrol police will continue to try to track down the separatist guerrillas inside Thai territory," Phichai said.

Prasit Chommak, a resident of Tapaehuru village, said the whole village was woken up by a series of more than 10 explosions punctuated by automatic gunfire for about 15 minutes early yesterday morning.

The villager said he believed the fighting was between Malaysian government troops and separatist guerrillas because the border area had been used by the guerrillas as a logistical supply line.

Meanwhile, Fourth Army Commander Kitti Rattanachaya said yesterday he had told police not to hesitate to arrest suspects in connection with the terrorist campaign in the South if they had enough evidence to substantiate the charges against them or eyewitnesses to implicate them in the criminal acts.

"If police have enough evidence or eyewitnesses, they should arrest the suspects right away. They don't have to worry about whether they will be able to convict them and put them in jail because the justice system will ensure that there will be fair trials," Lt Gen Kitti said.

The southern Army chief has been assigned by Prime Minister Chuan Likphai to take charge of the antiterrorist campaign in the Muslim dominated southern provinces.

Police have said they are reluctant to arrest people suspected of involvement in the terrorist campaign because there was little that could be used as evidence and virtually none of the residents in communities affected by acts of terrorism have volunteered as state witnesses for fear for their safety.

Muslim politicians and community leaders claimed that all four suspects already in police custody were innocent and that police have made "scapegoats" of innocent men.

Kitti said he was told that most schools in the southern provinces of Yala, Pattani and Narathiwat, which had been closed as precautionary measure to ensure teachers' safety, had already reopened.

Chula Rachamontri [Muslim spiritual leader] Prasoet Mahamad, the country's senior-most Muslim leader, said yesterday he believed Muslim residents who witnessed the terrorist attacks were ready to volunteer as state witnesses. "But I think police investigators don't know where to look for them."

### Further on Ouster of SAP; Chuan 'Confident'

BK1709021593 Bangkok THE NATION in English 17 Sep 93 p A4

[Text] Prime Minister Chuan Likphai yesterday expressed confidence that his coalition government will be more stable as a result of the ouster of the Social Action Party (SAP), despite a reduced majority in Parliament.

"Although we will have less support in the House, I am confident that the new coalition government will be better off as there will no longer be attempts to rock the boat," Chuan said.

The prime minister was speaking to 10 representatives of the Businessmen for Democracy Club.

The group was visiting him at Government House to show their morale support for the administration, which turns one year old on Sept 27.

SAP, which controls 21 MPs, will be replaced by the eight-MP Seri Tham Party from the opposition bloc.

The SAP was officially kicked out on Wednesday [15 September] when by royal command the five SAP members were dropped from the Cabinet.

The proclaimed unity of the new coalition of 193 MPs will face an acid test when Parliament reconvenes its ordinary session next week.

His Majesty the King has signed a royal decree to convene the new session on Tuesday.

Chuan told the business delegation the government would now speed up the implementation of its policies to develop the country's economy.

The prime minister said he was sorry the business sector had to worry about political confusion until now.

The SAP was expelled following the announcement it would absorb four opposition parties.

Chuan told a press conference on Wednesday that SAP's expulsion was aimed at clearing up confusion caused by the party's merger decision.

"It was my direct duty to eliminate the confusion and my coalition partners agreed that there should be a Cabinet reshuffle," Chuan said. His first step he took was to remove SAP from the Cabinet.

Thida Thawonset, leader of the the group, urged Chuan to prevent more political confusion. She said she wanted this government to run the country as long as possible because it was elected by the people.

Chuan said now that the SAP had left the coalition he had no conflict with SAP leader Montri Phongphanit.

"I have talked to Montri and we understand each other well. He has left without bad feelings," Chuan said.

Phalang Tham Party founder Chamlong Simuang and other coalition leaders have also expressed confidence that the "Chuan II" government will be more stable.

"This government will be stable because this formula is the first one adopted after last year's election," Deputy Prime Minister Banyat Banthatthan said on Wednesday.

Concerns about parliamentary stability had earlier prompted the allies to spurn Seri Tham and shift to SAP.

The Businessmen for Democracy was the second prodemocracy group to come out in support of Chuan's decision. The Confederation for Democracy issued a statement on Wednesday welcoming the SAP's expulsion.

"We thank the government for having decisively dismissed the Social Action Party as a coalition partner to end the chronic thorn-in-the-flesh situation and its attendant political silliness," the confederation said.

The organization, which was instrumental in last year's prodemocracy upheaval that propelled Chuan to the premiership, said the controversial merger scheme was a "dubious consequence" of violence in the deep South, "indicating there are attempts to destabilize the government and make the public confused about the democratic system."

#### FY 1994 Budget Passes Third House Reading

BK1109045393 Bangkok Radio Thailand Network in Thai 0000 GMT 11 Sep 93

[Text] The House of Representatives continued its debate of the draft 1994 fiscal year budget bill of 625,000 million baht for the third consecutive day yesterday, and voted in favor of the draft in its third reading at 0405 early this morning. The 30-article bill passed its second reading after over 45 hours of deliberation in the house [sentence as heard].

#### Twenty-Two Central Provinces Face Water Shortage

BK1209010893 Bangkok THE NATION in English 12 Sep 93 p A2

[Text] Twenty-two central provinces could be affected by water shortages in the dry season next year because of a sharp drop in the reservoir in two major dams, the Irrigation Department said yesterday.

The combined volume of water at Phumiphon Dam in Tak and Sirikit Dam in Uttaradit Province this year was below the lowest level recorded in recent years, Irrigation Department Director General Sawat Wattanayakon said.

Agricultural, residential and industrial communities in 22 provinces that depend on water from the dams could be affected by water shortage unless there was further rainfall, he said.

Yesterday, the combined reservoirs of Phumiphon and Sirikit dams held 1.21 billion cubic metres—1.05 billion cubic metres less than the volume on Sept 11 last year.

Senior officials from the Irrigation Department, the Electricity Generating Authority of Thailand (Egat), the Provincial Waterworks Authority, the Metropolitan Waterworks Authority, the Meteorological Department, the Agricultural Extension Department and Tak provincial administration met yesterday at the Egat office at Phumiphon Dam in Sam Ngao district to discuss ways to minimize the effects of a possible water shortage.

They agreed to launch a campaign to urge people to be economical with water and encourage the private sector to play a greater role in providing water resources.

Egat Governor Sombun Maneenawa said the expected water shortage would not affect power supplies since the agency had plans to generate electricity by using other sources of energy.

# Private Sector Allowed To Engage in Reforestation

BK1409011793 Bangkok THE NATION in English 14 Sep 93 p B1

[Text] The Council of Economic Ministers yesterday approved a proposal to allow the private sector to engage

in reforestation of denuded forests under the supervision of the Forestry Department. The Agriculture Ministry was instructed to draft regulations in line with the government's policy to increase forested areas. Previously, private reforestation was suspended as the government failed to prevent illegal logging in denuded forests.

# Film Processor Opposes Further Reduction in Duties

BK1709082393 Bangkok SIAM RAT in Thai 17 Sep 93 p 6

[Text] Phadet Hongfa, president of a videotape service and business association, said that the import duty on exposed film which has been reduced to 10 percent from 30 percent is acceptable. However, a further reduction in duties will drive the six film processing labs in existence in Thailand, whose total investment is 300 million baht, out of business because there will be no film for them to process into finished products. According to Phadet, employing about 100 workers and investing about 50 million baht each, the six labs process exposed movie film into finished products for delivery to movie houses and into videotapes. A further duty reduction will cause movie makers to process film in their own countries and export it in finished form because processing in Thailand will be more costly as processing chemicals have to be imported from Hong Kong. A further reduction in film duties by the government will drive Thai labs out of business and their workers out of employment.

#### Two Schools Torched in Nakhon Ratchasima Province

BK1109040393 Bangkok BANGKOK POST in English 11 Sep 93 p 2

[Text] Nakhon Ratchasima—Two primary schools in Chumduang district were partly damaged when an unknown group of people torched them on Thursday night.

The police said the Ban Nond Udom and the Ban Kui Samakkhi schools located only two kilometres apart were spared total damage because villagers and a teacher spotted the fires and managed to put them out in 10 minutes.

According to a report to the Interior Ministry, the arson occurred only 30 minutes apart, first at the Ban Nond Udom School at 7:20 p.m. and then at the Ban Kui Samakkhi School.

About 1,000 baht worth of books were damaged in the library of the Ban Nond Udom School and the wall of the Prathom 4 classroom of Ban Kui Samakkhi School was also damaged, the police said.

He said they smelt diesel oil in the classroom of Ban Kui Samakkhi that made them believe the fire was the work of arsonists

However, they did not know the motive for the torching.

Nakhon Ratchasima Governor Damrong Ratthanaphanit said he had told police to find the motive.

He denied the arson had any connection with politics but it could be the work of ill-intentioned people who wanted to create confusion, as in the South.

Mr Damrong said the police had ruled out the possibility of a short-circuit because the schools had no electricity.

He said there were no conflicts between the schools and villagers and it was the villagers who helped extinguish the fire.

#### Vietnam

### Hanoi Authorities Reject Vatican Appointee

BK1709114293 Hong Kong AFP in English 1103 GMT 17 Sep 93

[By Andrew Sherry]

[Text] Hanoi, Sept 17 (AFP)—In a setback to relations between Hanoi and the Vatican, Vietnamese authorities have rejected the appointment of Bishop Huynh Van Nghi to supervise the Roman Catholic Church in Ho Chi Minh City.

In an official communique seen here Friday, the Ho Chi Minh City People's Committee denounced the appointment as part of a "Vatican plot" to install the exiled nephew of former South Vietnamese president Ngo Dinh Diem as the city's archbishop.

Hanoi's insistence on approving nominees to the Vietnamese church hierarchy has been a steady source of conflict with the Vatican, and has left Asia's secondlargest Roman Catholic church with no cardinal and very few bishops.

The communique, dated September 15, said the Vatican had agreed with Vietnamese religious authorities that Nghi would be appointed deputy archbishop of Ho Chi Minh City with the right to succeed the current archbishop, who is past 80 and in poor health.

By "arbitrarily" appointing Nghi "supervisor" of the city church instead, "the Vatican wants to make the deputy archbishop position vacant for Nguyen Van Thuan," the communique said.

Thuan, Diem's nephew, was appointed deputy archbishop of then-Saigon by the Vatican in 1975. The communists took power soon after, renamed the city in honor of Ho Chi Minh, and barred Thuan from taking up his post.

"Our government did not accept this appointment and definitely will never accept it," the communique said.

Thuan left Vietnam in 1992 for Rome and has been prevented from returning home.

Nghi, meanwhile, has been "warned to respect the laws of the Socialist Republic of Vietnam and stop all activities related to the position of supervisor of the Catholic Church of Ho Chi Minh City," the communique said.

With some seven million Roman Catholics, or 10 percent of the population, Vietnam has the second-largest church in Asia after the Philippines.

Though Vietnam's communist party has never been rigidly atheistic, it has long viewed the local Catholic church with suspicion because of its origins under French colonial rule and its close association with the former Saigon regime.

However, in the past three years there have been signs of a thaw between the Vatican and Hanoi, which has liberalized the practice of religion as part of the "doi moi" reform process set in motion in 1988.

For example, Hanoi allowed a foreign Catholic priest to take up residence in Vietnam for the first time since the Vietnam War earlier this year. The American priest, from the Maryknoll missionary organization, has so far ministered exclusively to the foreign community in Hanoi.

Members of the Communist Party Politburo have meanwhile been campaigning since the start of the year to their support for religion, making well-publicized visits to Buddhist pagodas, Catholic centers and even the seat of the traditionally anti- communist Cao Dai sect at Tay Ninh.

But visits to Vietnam by a succession of high-ranking Vatican diplomats have failed to produce much visible progress on several outstanding problems, including the choice a successor to Cardinal Trinh Van Can, archbishop of Hanoi, who died in 1990.

Hanoi was also angered by a Vatican circular last year ordering Vietnamese Catholic priests not join political organizations, including the Solidarity Committee of Patriotic Catholics, a mass movement under the umbrella of the Communist Party's Fatherland Front.

Hanoi requires all Catholics to belong to the committee, but says the Vatican's fears that it is trying to turn it into a state- controlled church like the one in China are unfounded.

Several monks who resisted the integration of the Unified Buddhist Church of Vietnam into the state-approved Vietnam Buddhist Church have been detained since May in connection with demonstrations in the central city of Hue and the southern province of Ba Ria-Vung Tao.

#### Army Paper Criticizes U.S. Maintenance of Embargo

BK1709125993 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 17 Sep 93

[From the Press Review program for 17 September]

[Text] Regarding a 13 September announcement by U.S. President Bill Clinton that the United States will continue to maintain its embargo against Vietnam, QUAN DOI NHAN DAN carries a commentary by Quang Loi entitled: "Still At The Departure Line." The commentary reads in part:

Closing the past and opening up the future are the healthiest thoughts and the most appropriate way for rival countries after a war. The government and people of Vietnam are firm in maintaining their policy in this direction and believe that this conforms to the interests of the two peoples.

During various contacts with the Vietnamese side, many responsible officials on the U.S. side have also expressed this desire. Therefore, the 13 September order to continue to maintain the embargo against Vietnam shows that the words of the U.S. side do not match its deeds.

In view of this inappropriate decision, one cannot help wondering whether or not the United States has any intention to open a new page of history vis-a-vis Vietnam.

#### Daily Calls Actions 'Absurd'

BK1709065993 Hanoi VNA in English 0643 GMT 17 Sep 93

[All quotation marks as received]

[Text] Hanoi VNA Sept. 17—The US decision to continue its trade embargo against Vietnam obviously does not serve the interests of the American people and runs counter to the trend of cooperation and development in the world, says NHAN DAN in a commentary today.

The paper goes on:

'In the US-Vietnamese relations, the Sept. 13 decision obviously does not fit in with current reality and is contrary to the policy statements of the US itself. It shows that Washington is not really ready as the US administration has professed to close the past and open a new page in its relations with Vietnam on the basis of equality and mutual respect. In fact, how can the prolongation of the trade embargo help open a new chapter in the Vietnamese-US relations?'. NHAN DAN continues: 'Washington has repeatedly declared that it respects the right to development of nations recognized by the recent Vienna conference on human rights. It has also loudly campaigned for free trade and free business in the world which the US President considers the highest objective of the United States. However, its acts do not match its words.

It should be stressed that the reason advanced for the prolongation of the trade embargo is absurd. Washington said that Vietnam has to cooperate more fully with it in the issue of US servicemen missing in the Vietnam War. This is absurd because the US itself has many times issued statements praising Vietnam's cooperation in the MIA issue. Many delegations of US congressmen on fact-finding trips to Vietnam highly appreciated the goodwill and great efforts of the Vietnam Government in the MIA issue. Absurd because since 1987 Vietnam and the U.S. have agreed to consider the MIA question a purely humanitarian issue not bound to any political issue. At a press conference in Hanoi in mid-July last, American Assistant Secretary of State Winston Lord said: 'The U.S. is concerned about the MIA issue, but does not consider it a prerequisite for normalising relations between the two countries'.

The decision to prolong the embargo obviously does not serve the interests of the American people, and goes against the trend for cooperation and development in the world. There is no doubt that the US embargo cannot obstruct the renovation in Vietnam nor prevent more and more foreign companies from entering Vietnam to do business with Vietnam. In the end, it is the American companies which have to suffer the most from the decision as they have complained themselves. It is really regrettable that Washington has once again hesitated to take a step which must be taken immediately'.

'The Vietnam-US relations can be improved only when both countries really join efforts and cooperate in the spirit of equality and mutual respect,' NHAN DAN says in conclusion.

Tourism Delegation Meets Egyptian Minister BK1609140593 Hanoi VNA in English 1339 GMT 16 Sep 93

[Text] Hanoi VNA Sept. 16—The minister of tourism and civil aviation of the Arab Republic of Egypt, Fu'ad Sultan, has wished to develop tourism cooperation between his country and Vietnam.

In a reception in Cairo on Sept. 13 of a Vietnamese delegation of tourism officials led by Ngo Thai Kien, director of Vung Tau Tourism Company, the Egyptian minister committed to carry out all works necessary for the signing as soon as possible of an agreement on tourism cooperation between the two countries. The Vietnamese delegation, which was in Egypt to inquire into possibilities for tourism cooperation between Vietnam and Middle East countries, also met with Egyptian Vice-Minister of Tourism and Civil Aviation S. Moussa and other senior officials to discuss bilateral cooperation in tourism and other fields.

#### **SRV Party Delegation Visits PRC Party**

BK1709121993 Hanoi Voice of Vietnam in English 1000 GMT 17 Sep 93

[Text] The Chairman of Chinese People's Assembly said recent issues should be resolved through negotiations. During a reception in Beijing given to a delegation of Vietnam Central Party School led by Vice Rector Tran Ngoc Hien, the Chinese Parliament figure proposed that party schools of the two countries exchange experiences to implement effective cooperation.

#### Nguyen Van Linh on Mass Motivation Work

BK1709102393 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Sep 93

[Text] Comrade Nguyen Van Linh, adviser to the party Central Committee, recently visited and addressed cadres attending a national mass motivation conference held at the Nguyen Van Cu Party School in Ho Chi Minh City. It was jointly organized by the party Central Committee's Mass Motivation Department and the Ho Chi Minh National Political Institute.

Comrade Nguyen Van Linh pointed out the concepts of Uncle Ho and his feelings and concern about mass motivation work as well as the many lessons learned by the party in carrying out mass motivation during the national democratic revolution and the socialist revolution years.

The comrade emphasized: Mass motivation was one of the greatest achievements of our party in providing leadership for the revolution. Should our party fail to associate itself closely with the people or carry out mass motivation work satisfactorily, it would be unable to lead our people nationwide to surmount the paramount difficulties and ordeals.

Mass motivation work has, however, been ignored and belittled following the establishment of the administration nationwide. Though still in existence, mass organizations have gradually become bureaucratized [hanhf chinhs hoas]. The administration at various levels has, in certain areas and at certain moments, ignored mass motivation work and has become bureaucratic. A segment of party cadres and members and state employees has become degraded, deviated, and corrupted. They have bullied and stayed aloof from the people.

#### All-Army Trade Union Congress Closes

BK1609132993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Sep 93

[Text] After three days of work, the Fourth All-Army Trade Union Congress concluded in Hanoi today. With a high sense of responsibility, and with discussions held in a democratic fashion, the congress determined the goals to be achieved by the army trade union during the upcoming period. These goals include continuing to renovate the organization and activities of the union to

contribute to achieving national stability and development and improving the combined strength of the armed forces.

Based on these goals, the congress set forth three action programs to be carried out by the trade union in the upcoming period. They are: socializing all the activities of the trade union; participating in tackling the employment issue; caring for the welfare of defense workers and civil servants; participating in providing vocational training and refresher training for workers with a view to increasing the output, product quality, and effectiveness of the national defense economy.

The trade union should accelerate the establishment of assistance funds to help defense workers' families develop their family-sideline economies; provide assistance for talented people; encourage workers and civil servants to study harder and actively participate in national programs for population control, for environmental protection and for the prevention and control of AIDS.

Grass-roots trade union organizations should organize various forms of cultural activities such as building a civilized life-style, new cultural families; organizing special contests for women to train them in the fields of running a household, maintaining their appearance, speech, and raising healthy and obedient children.

To achieve these programs, the congress decided to concentrate on building steadfast trade union organizations at the grass roots, clearly defining the responsibilities of grass-roots trade union organizations and providing them with more duties and autonomy, and organizing additional training to further improve the knowledge of the contingent of cadres in charge of trade union affairs.

The congress also appointed delegates to attend the Seventh Vietnam Trade Union Congress.

#### **UNICEF Funds Drinking Water Projects**

BK1609140193 Hanoi VNA in English 1337 GMT 16 Sep 93

[Text] Hanoi VNA September 16—Nearly 10,000 more people in the central highlands Province of Darlac now have access to safe drinking water thanks to UNICEF's 1993 support worth more than 1 billion dong. Apart from UNICEF material supplies, the provincial rural water supply management board mobilized the local population to work for the project voluntarily. So far this year, 60 wells have been drilled and equipped with handpumps in four remote districts where fresh drinking water remains scarce. By the end of this month, an artesian well is expected to be built in Dac Rnang Village in Dac Nong District inhabited by the Hmong ethnic minority people. The system costs an estimated 100 million dong. By early next year 80 more such handpump wells will have been built and four more artesian wells will have been developed in Crong Bong, Ea Sup and Crong Buc Districts and at several border guards' barracks. So far this year, the neighbouring province of Quang Ngai has installed 310 more drilled wells with handpumps to the population in four coastal districts. The Province of Khanh Hoa, southwest of Darlac, has drilled and built 180 wells and filter tanks for inhabitants on the coast where infiltration of salt water makes it difficult for them to use surface water. The provincial water supply management board in Khanh Hoa plans to build 170 more wells and filter tanks from now to the end of the year.

#### Nguyen Duc Binh Attends Publishing House Ceremony

BK1609134793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 16 Sep 93

[Text] In Hanoi this morning, 16 September, the Van Hoc Publishing House—the former Van Nghe Publishing House—held a solemn ceremony to mark its 45th founding anniversary. Comrade Nguyen Duc Binh, member of the party Central Committee Political Bureau and secretary of the party Central Committee attended the ceremony.

Also attending the function were a large group of writers and artists who have been working with the publishing house for many years. Poet Luu Huy Nhien, director of the publishing house, delivered a report reviewing key work and activities of the publishing house during the struggle against the French and U.S. He stressed: Since the shift to a market economy, the Van Hoc Publishing House has strived to renovate its activities and has published many valuable works of Vietnamese and foreign writers. It has also improved printing work qualitatively and quantitatively. In 1992, the house published books and other publications similar to the volume produced in 1988-89.

Addressing the gathering, Comrade Nguyen Duc Binh commended cadres, workers, and personnel of the publishing house for their efforts and achievements. He urged them to surge forward to attain maturity; catch up with the progress made in other fields; strive to publish more valuable works reflecting the diversity of our national history and presenting the quintessence of world culture. He also urged the publishing house to implement General Secretary Do Muoi's advice to enhance the publishing quality to better serve readers at home and abroad, and print more books conveying the essence of our fine national culture and that of the era.

#### Progress in Shoe Industry Detailed

BK1509070393 Hanoi VNA in English 0637 GMT 15 Sep 93

[Text] Hanoi VNA Sept 15—Presently Vietnam has 61 shoe enterprises with nearly 40,000 workers. This does not include more than 300 private shoe workshops and their manpower. Current export earnings were estimated at 45 million US dollars a year.

As a result of the state's policy of broadening external economic relations, the shoe-making industry has over recent years made heartening progress in production and exportation, mainly by seeking and establishing partnership with foreign companies for an injection of foreign capital and the introduction of new equipment and technology.

Under cooperation contracts, the Vietnamese side manufactures the products and the foreign partners sell them. Both sides will share the sale turnover as mutually agreed. Some enterprises have even gone further by establishing joint venture with foreign trading partners as provided for by the Law on Foreign Investment in Vietnam. Results obtained by the shoe-making enterprises in their cooperation and joint venture with foreign partners show that they have been able to markedly step up shoe manufacturing and are shortening the time needed for capital retrieval. During the past 3 years, a total of 25 million US dollars were invested in upgrading shoe enterprises, including 6 million US dollars for the import of machinery and equipment for 3 joint venture enterprises, 11 million US dollars for 4 tanneries, and 8 million US dollars for the installation of 13 production chains. Other enterprises with loans obtained from domestic and foreign sources have spent 9 million US dollars putting into place 22 new production lines. In 1992, investors were inclined to increase the manufacture of handbags and leather shoes for export to South Korea and Taiwan. In early 1993, they tended to boost the production of sport shoes. As predicted by international shoe-makers, until the year 2000 Vietnam like other developing countries will be contracted to make medium-quality shoes, slippers and handbags for supply to Western Europe and North America. The main shoemakers will continue to be Ho Chi Minh City, Hanoi, Hai Phong and Da Nang.

After 1995 when infrastructural facilities have been improved, shoe-making will be extended to the provinces near ports or major highways, and increased at joint venture, private and stock companies. Shoe export earnings are expected to reach 110 million US dollars in 1995, 350 million in the year 2000, and 640 million in 2005, making up about 70 percent of all annual revenue in the industry. Domestic per capita spending on shoes, which was estimated at 8,000 VND (about 80 U.S. cents) in 1990, will be increased to 11,000 VND in 1995 and 16,000 VND in the year 2000.

The shoe industry plans to employ 60,000 workhands in 1995 and will increase the recruitment to 120,000 in the year 2000 and 180,000 in 2005. By comparison, Vietnam's projected shoe exports in the year 2000 will be equal to only one-fourth of Taiwan's and South Korea's and one-twentieth of China's at current rates. Vietnam hopes to achieve a growth rate of 25 percent a year for the shoe industry from now to the year 2005, or a 2.5 fold increase compared with GDP growth rate. So, the country's dream of becoming a leading shoe exporter like Taiwan and South Korea will come true only after the year 2005.

#### Australia

# Canberra To Aid Mine Clearing Effort in Cambodia

BK1009063293 Melbourne Radio Australia in English 0500 GMT 10 Sep 93

[Text] Australia is to give an extra million dollars in aid to Cambodia to help clear the land mines which are scattered all over the countryside on farms and in jungles. Philip Flood, who led the Australian delegation to this week's conference on reconstruction of Cambodia in Paris, says Australia's contribution is part of a strong commitment by the international community.

Mr. Flood who heads the Australian International Development Assistance Bureau, AIDAB, spoke of Cambodia's special needs:

[Begin Flood reporting] Cambodia remains a desperately poor country; its per capita income is less than Australian \$300 per annum and only 17 percent of Cambodians have access to clean water and only 10 percent of children reached grade five and about 65 percent of the population is illiterate.

Now that the war situation is over, there is a massive effort needed on development. [end recording]

### Navy Detains Fifth Indonesian Fishing Boat

BK1109151893 Hong Kong AFP in English 0742 GMT 11 Sep 93

[Text] DARWIN, Australia, Sept 11 (AFP)—An Indonesian fishing vessel has been taken under escort by the Australian navy 300 nautical miles west of here Saturday, becoming the fifth boat detained in the area this week.

All the arrests came after the crews of the sailing vessels persisted in fishing outside the area agreed to in a memorandum of understanding between Australia and Indonesia, an Australian Customs spokesman said.

Four boats carrying a total of 26 crew were apprehended on Monday after an operation coordinated by the customs surveillance operation, Coastwatch, in which more than 80 Indonesian vessels were boarded and warned to leave the area where they were fishing.

Officers of the Australian Fisheries Management Authority (AFMA) began investigating alleged breaches of Australian fisheries laws when the boats arrived here on Thursday.

Their investigation will be extended to the six crew of the fifth vessel on its arrival here, expected to be late on Monday.

#### Syria's Qaddurah Meets Australian Officials

JN1709103993 Damascus Syrian Arab Republic Radio Network in Arabic 1815 GMT 16 Sep 93

[Text] Bill Hayden, the Australian Governor General, today received 'Abd-al-Qadir Qaddurah, the speaker of the Syrian People's Assembly, in the presence of Shakir Is'ayyid, the chief of the Arab and Foreign Affairs Committee. Qaddurah conveyed President Hafiz al-Asad's greetings to Bill Hayden who asked him to convey his greetings to President Hafiz al-Asad, recalling the president's meeting with him.

Bill Hayden talked about the good impressions he got during his visits to Syria and the meetings he held. He noted the possibility of developing bilateral relations in all fields.

Qaddurah talked about the importance of developing bilateral relations, especially in the parliamentary field, and exchanging parliamentary delegations.

The speaker of the Australian Parliament, (Steven Martin), today received Qaddurah in the presence of Is'ayyid. Talks covered parliamentary relations, the means of developing these relations, and exchanging parliamentary visits and expertise. Discussion also dealt with the 90th Interparliamentary Union [IPU] conference.

People's Assembly Speaker 'Abd-al-Qadir Qaddurah delivered a speech at the general meeting of the 90th IPU conference, which was held in Canberra this evening and focused on the world's political, economic, and social situation. He said: Considerable time has passed since the start of the Middle East peace process, which is based on constant bases, including the implementation of UN Security Council Resolutions 242, 338, and 425 and the land-for-peace principle. He added: Although 11 rounds have passed, and despite the recent agreements that were signed, the arbitrary and repressive Israeli acts against the Arab inhabitants in the occupied Arab territoriesthe West Bank, the Gaza Strip, occupied Syrian Golan, and southern Lebanon-still continue without respect for the Fourth Geneva Convention, the principles of the world community, or human rights laws.

Qaddurah added: Peace, as we understand it, means full commitment to the principles of international legitimacy recognized by the world community and its various institutions, represented by UN, UN Security Council, and IPU resolutions, as well as the principles on which the peace initiative is based. We understand peace to mean that we will not relinquish an inch of the occupied territories in the Golan and other territories. It means the restoration of the legitimate rights of those whose territories are occupied. We can sum this up by saying: Comprehensive peace for full withdrawal. We believe that this has not been achieved so far and we are seeking to achieve it.

Concluding his speech, Qaddurah said Syria, the land of peace since the dawn of history and the land of many

civilizations, has always supported peace as it is understood internationally. When we greet each other in our country, we say al-salamu 'alaykum [peace be upon you]. This is the greatest evidence that our people and homeland are among those who continuously seek to achieve a just and comprehensive peace throughout the world, because with this understanding we can say that we are contributing to the creation of a world that is free from usurped and violated rights—a world in which happy people seek happiness for themselves and for others.

# Measures Issud To Rescue Ailing Wool Industry

BK0809074893 Melbourne Radio Australia in English 0500 GMT 8 Sep 93

[Text] A package of measures to rescue the country's ailing wool industry has been announced in Canberra. The package largely adopts the recommendations of the recent (Garnell) report into the industry. The government plans to establish a new body, Wool International, to manage the sale of the huge wool stockpile with sales of stockpile wool on a fixed schedule starting in July next year. A fixed wool tax on growers of 4.5 percent will be levied for debt management and to provide farmers' equity in Wool International, which will be privatized.

The Wool Corporation and Wool Research and Development Corporation will be replaced with the new body responsible for promotion and research. The Wool Industry Council will also be abolished. Primary Industry Minister Simon Crean says that under the fixed selling schedule the wool stockpile will be reduced to a commercial level by mid 1997.

#### Robots Used in Effort To Save Barrier Reef

BK1309091493 Melbourne Radio Australia in English 0500 GMT 13 Sep 93

[Text] Robots are being used in the fight to save Queensland's Great Barrier Reef from serious environmental damage. One Tree Island, about 70 kilometers east of Gladstone, is playing host to the nine robots, researchers from four universities, the Institute of Marine Science, and the Australian Museum. The computerized robots are being used to measure the effects of nutrient runoff on coral, and are sparking interest from scientists worldwide. (Craig Sambol) from the Great Barrier Reef Marine Park Authority says it's the first time robots have been used in this way.

[Begin (Sambol) recording] [Words indistinct] the Great Barrier Reef Marine Park Authority as I sit out there on the cliff above the coral and I also have transmitters where they can be controlled and programmed also from the land through a computer system set up on the island itself. [end recording]

#### New Zealand

British Foreign Secretary Hurd Arrives for Visit BK1709094693 Hong Kong AFP in English 0935 GMT 17 Sep 93

[Text] Wellington, Sept 17 (AFP)—British Foreign Secretary Douglas Hurd arrived in New Zealand Friday and met Prime Minister Jim Bolger and Foreign Minister Don McKinnon.

Hurd was due to leave Saturday, having cut back his visit to New Zealand by two days because he has to attend GATT talks in Brussels on Monday.

In a speech delivered at a reception in the British High Commission here, Hurd said the talks were likely to address the impasse about tariff reductions which are holding up the Uruguay Round of GATT negotiations on liberalising world trade.

"Clever minds are addressing the issue now," he said.

A satisfactory outcome to the GATT negotiations by December 15 this year was essential if the world was to avoid a "fortress mentality".

Hurd came to New Zealand from Australia where he held talks with Foreign Minister Gareth Evans.

#### Tuvalu

#### Parliament Deadlocks on Premier; Election Planned

BK1709081393 Melbourne Radio Australia in English 0500 GMT 17 Sep 93

[Text] Tuvalu is to have another general election after a second meeting of the new parliament failed to elect the prime minister. Both the outgoing caretaker prime minister, Bikenibeu Paeniu, and challenger, Dr. Tomasi Puapua, each received six votes from the 12 members of parliament. Dr. Puapua is former prime minister. There was a similar deadlock on Wednesday [15 September], when parliament met for the first time since the general election held on 2 September. Following the second deadlock today, the governor general, Soptuadi Pilauchi, said that he would dissolve parliament on 22 September and announce the date for a new election.

Under Tuvalu constitution, if parliament fails to elect the prime minister after two meetings following a general election, the governor general must call a new poll. Prime Minister Paeniu and his cabinet will remain the caretaker government until parliament meets again after the election.